FINANCIALTIMES

Tuesday May 6 1980

Hostages freed in embassy blasts

TWO explosions ripped through of smoke and flames pouring ing, finemen trained hoses at from upstairs windows and a sioner Peter Neivens said last Secretary and order the raid, the Iranian Embassy in London from the building, a white flag second- and third-floor windows. loud burst of machine gun fire night: "The siege has come to As the drama came to a hear

About half an hour before was heard.

the blast, three shots were fired

inside the embassy and a dead body was later pushed out of

Police negotiators asked the

gunmen what was going on in-side the building, but got no

the pipeline would be viable

with the amount of gas avail-

able in UK waters. The Gov-

gas from the Statifiord field, he

Houston also indicate that UK

companies are winning the

lion's share of offshore contracts

in the British sector of the

North Sea. Government figures

to be announced shortly are

expected to show that UK sup-

pliers captured between 75 and

80 per cent of the market,

worth more than £2.5bn last

year. The performance was a

marked improvement on 1978,

when UK companies won about

Mr. Gray said in a speech at

"very encouraging." In

the conference that the trend

1973, when offshore develop-

It is not known, for example,

if neighbouring Albania, one of

the few countries which Marshal Tito never visited, will send a delegation at all. No flag was

flying outside the Albanian

Embassy yesterday morning,

while the others flew their flags

the half-mast, as

Significantly the first country

to announce her delegation was China, which had denounced

Yugoslavia as a heretic in the

Communist movement for over

party chairman and Prime

Minister Hua Gunfeng From

Washington it was announced

last night that Vice-President

Mondale will lead the U.S.

The Russians, have not an-

nounced their delegation, but

President Brezhnev is not ex-

For Britain the Duke of Edin-burgh and Mrs. Margaret Thatcher are expected.

Feature and Oblituary, Page 17

pected to attend.

China is sending her top man

Yugoslav public buildings.

a decade.

two-thirds of the domestic off-

ernment also hoped that it would be able to tap Norwegian

Unconfirmed

shore orders.

While he would not comment ment was just getting under

on detailed Government plans way, UK suppliers of goods and

the tront door.

reply. Then

who are considering the estab-lishment of a new tariff-setting Mobil and British Gas showed



tunately the gunmen took countries met for discussions.

sioner had no option than to result of the diplomatic talks

TEL (01)-568 5725/6

last night, setting it on fire.

Gunmen who stormed the build-

ing on Wednesday morning had

been holding about 20 people

The first explosion came at

than a minute later, followed

BY RAY DAFTER, ENERGY EDITOR

MINISTERS considering plans

for a North Sea gas pipeline

probably costing between £1bn and £1.5bn, may establish a

tariff regulation authority to

avoid a clash between the

British Gas Corporation and

Mr. David Howell, Energy

Secretary, is expected to call

on a consortium of investment

groups and private companies

groups—to finance the 400-mile

pipeline which will collect gas

from a large number of fields

in the northern sector of the

North Sea. The consortium coul dtake the form of a private

sector public utility, carrying natural gas ashore for British

But prospective investors say

British Gas could dampen the

attractiveness of the scheme.

With British Gas controlling prices, they would be worried

about obtaining an adequate

It is understood that these

BY TONY ROBINSON IN BELGRADE

their last respects to President

Tito as the blue Presidential

train, carrying his body on its

final journey from Ljubljana, passed through Zagreb, the Croatian capital, to Belgrade

From the station there the cavalcade carried Marshal Tito's

coffin through crowds of silent

mourners to the neo-baroque

Federal Parliament building.

where he will lie in state until

Mr. Lazar Kolisevski, the new

President, with other members

of the collective leadership and

old partisan comrades, awaited

Among the first to lay a wreath on the dead President's

coffin was his estranged wife

Jovanka, who had been ex-

cluded from all official func-

tions and lived apart from him

for the last three years.

Marshal Tito's two sons from

his first two marriages followed

the funeral on Thursday.

yesterday.

the cortege.

return.

the monopoly buying power of yesterday that the Government

THOUSANDS OF Yugoslavs her, and only then did the lined the railway tracks to pay official State and Party

dence.

including oil and chemical

pipeline investors.

by a rapid burst of gunfire.

appeared from an upstairs

Police lead at least eight

people out of the building after

Lord Carrington, Foreign

ages had been rescued and three

body as a potential solution. Mr. Peter Gaffney, a UK-

based oil industry consultant, said North Sea gas development

would benefit from a more open

gas pricing policy. British Gas was unable to meet all of its demand because of pricing policies had had a "dampening

effect ' on past exploration and production. Past pricing policies

had been both aggressive and

regressive-oil companies in the

southern basin of the North Sea

had not received high enough

prices for the gas they produce.

State for Energy, who is taking industry soundings at the Off-shore Technology Conference in

Houston, Texas, this week, said

was confident that a solution

would be found to both the

financing and organisational problems associated with the

misgivings have been passed on he was "confident that the equipment were winning only to energy Ministers and officials system would go ahead." The 25-30 per cent of the orders.

mourners lay wreaths in their

turn, while outside a military

For the next three days and

nights of lying-in-state, Yugo-slavs from all walks of life will

file past the coffin and pay their

ast respects to the man who led

the struggle against the Nazi invader and Stalin's dictate,

and who came to symbolise

Yugoslav unity and indepen-

one of the largest and most comprehensive gatherings of

world political leaders ever

Final arrangements are being

made to accommodate Heads of

State and Government, and

both sides of the East-West ideo-logical divide and from the

The guest list is still far from

non-aligned countries.

leaders of political parties from

The funeral is expected to be

under a leaden grey sky.

played funeral music

pipeline project.

Yugoslavs line route as

Tito's cortege passes

Mr. Hamish Gray, Minister of

As policemen kept an armed Soon after, with thick clouds guard on the front of the build- black smoke and flames poured

the explosion.

gunmen killed.

to aid pipe finance

7.23 pm and the second less Secretary, said later the host-

GENERAL

Israel rejects call for revenge

israel's Defence Minister, Ezer Weizman, turned down extremists' demands for punitive Ministers. Back Page action against Palestinisms on the occupied West Bank in panies are unabled. revenge to rihe killing of six

He told the Knesset: "We are still on the road to a difficult solution. Let us not play into the hands of those . . who try • EEC FARM Council meeting

Meanwhile, there were dis-turbances on the West Bank a 5 per cent farm price rise Israeli forces fired tear gas on on the basis of 2 majority vote Arab schoolgirls who blocked a road, and a grenade was thrown at a military vehicle in Gaza. There were no casualties. Pages

Diplomat charges

Three men were remanded in custody in Belfast on charges connected with the kidnapping and murder of West German industrialist and diplomat Thomas Niedermayer seven years ago. His skeleton was found two months ago.

Libyans expelled

Relations between the ".S. and Libya worsened with the expulsion from Washington of four more of Col. Gaddafi's diplomats.

DC-9 crashes Tail and rear fuselage broke off a DC-9 Super 80 during

house and a shop in the resort

Bodies freed

Bodies of eight American commandoes killed in the unsuccessful raid in Iran have been handed over to the Greek Catholic Archbishop in Tehran and are expected to be flown to Switzerland today.

Airline arrests

Three more British Airways slaff have been charged at Uxbridge with conspiring to defraud the airline, bringing the number of arrests in four days Danish krone.

'Pledge broken'

Opposition leader James Callaghan eccused Prime Minister Margaret Thatcher of breaking her election pledges, particularly the undertaking to reduce taxation. Page 6

Moscow-bound

Olympic committees in Iraq and Sri Lanka have decided to take part in the Moscow Games this

Better service

Motorway service areas are criticised by motorists in a Consumers' Association survey, but the organisation says in Holiday Which? that standards are

Mountain blaze

Scrubland blaze on a remote North Wales mountainside was

put out after three days. Briefly . . .

Premier Constantine Karamanlis has been elected President of Greece. Page 3

Two Israeli warships visited an Egyptian port for the first time since last year's peace treaty.

PUBLISHER'S NOTICE

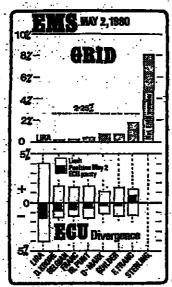
The Financial Times apologises for errors contained in this issue which are due to difficulties in the reading depart-

.

on U.S. fibre dumping

porary levy on U.S. petro-chemical exports to the UK and Continent. Back Page

in Brussels today could start with the French trying to force on the basis of a majority vote excluding Britain. Back Page



heavy landing tests in the U.S.

Page 2

Constraints on European Monatery System exchange cates. The upper grid, based on the stackest currency in the system, defines the cross rates from which no currency faceopt the line) may deviate more than appear in court at Brighton each currency divergence from its following fights between rival gangs and attacks on a public of European currency tink (ECU), itself a basket of European currency and attacks on a public of European currency and attacks.

change in the European Monetary System last week despite movements in interest rates The French franc remained the strongest currency, followed jointly by the Dutch guilder and

The rise in German interest rates on Wednesday helped the D-mark, while the cut in some Belgian rates led to a renewed weakness of the Belgian franc. By Friday, the Belgian currency had recovered slightly, and once was firmer than the

throughout last week, but lal remained well within the divergence limits

at 811.43 near the close.

ton-based civil engineering

NATIONAL ECONOMIC Development Council is to debate UK economic problems tomorrow following reports on policies from the Government

● VOLVO, the Swedish car and truck group, expects greater problems this year than last, but hopes to maintain last

 GREEN PAPER on trade union immunity is planned to repair Government relations

• LAIRD, the engineering

Chemical industry: Roche Management: Video tape after the Valium boom 16 and disc markets 13 Yugoslavia: Life without Lombard: More economic

Editorial comment. A policy for British Steel; Karamanlis and Greece 16

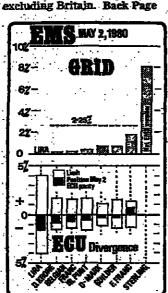
rminment Gde. helei Diery ...

For latest Share Index phone 01-246 8026

EEC acts

ANTI-DUMPING duties averaging 15.6 per cent have been imposed on U.S. acrylic fibres entering the Common Market by the EEC Council of Ministers Rack Page

• EUROPEAN CHEMICAL companies are urging the U.S. Government to agree a tem-



• THERE WAS little overall

German D-mark

The Italian lira was the weakest member of the EMS

● WALL STREET was up 0.51

TARMAC, the Wolverhamp-

group, has been asked to undertake a feasibility study for a second tunnel under the Suez Canal. Back Page

the CBI and TUC. Back Page

year's earnings of SKr 1.24bn (£129.7m). Page 28

LABOUR

with the TUC. Back Page

group, reports second half profits down from £6.29m to £5.69m, leaving the 1979 taxable surplus at £10.73m (Ell.12m). Page 18. The group has reached agreement with the Government for compensation of £3.75m in settlement of its claim for Scottish Aviation. Page 5

CONTENTS

17 nonsense 14

Surveys:

U.S. finance Inset

Today's Events ...
TV and Radio
UK Name
Unit Trusts Merragement
Merragement
Money & Exchanges
O'seas News
Party Diary
Racing
Share Information World Econ. Ind... World Trade World Value of £

Tehran hostages, Lord Carringreminded the Carter Administration

productive-not least because it might propel Iran and its Arab Yesterday morning Lord arrington saw Mr. Carter Carrington

Acting Secretary of State, as well as his designated replacement, Senator Edmund Muskie. Lord Carrington said he hoped additional diplomatic means would be used to try to resolve the hostage crisis.

Gas pricing body plan U.S. prime rate cut

an end. With the approval of

The dead man has not yet the Rome Secretary, units of to the Foreign and Common-been named. At least 14 of the the Special Air Services Regi-hostages are now free. Police ment were deployed in the final crisis. The guomen had asked

not a good result, but unfor-

extreme action and the commis-

Constable Trevor Lock, is alive stages.
and well. BBC sound recordist "Action which cost lives was

came explosions and gunmen have been detained. sioner had no option than to result of the diplomatic talks noke and flames poured. Deputy Assistant Commis- urgently consult the Home when the explosion took place.

BY D'AVID L'ASCELLES IN NEW YORK

THE U.S. prime rate dropped sharply again yesterday as expectations mounted in Wall Street that the Federal Reserve would seen have to ease its tight credit policy. The move was led by Chase Manhattan, which cut its prime from 18½ per cent to

18 per cent. Soon afterwards,

Morgan Guaranty leapfrogged

and well. BBC sound recordist

Sim Harirs was also released

and was said to be unhurt. Scotland Yard says several

down to 171 per cent. Some banks followed Morgan, but most stayed with Chase at 18 per cent. This means the U.S. prime rate has dropped 21 per cent from the 20 per cent peak it reached less than three weeks ago. Market analysts say this

is the sharpest prime rate decline on record. The prime has yet to match the drop of five points or more in other short-term rates, mainly because the banks are cautious about expanding their lending. But

there is already evidence that

some of them are privately

undercutting their own prime rates to test the demand for husiness loans. Yesterday's cut against a background of a

further broad decline in interest rates. Within minutes of the opening yesterday some rates had fallen by as much as 1; percentage points, and though they subsequently eased a little, the underlying tone of the market was described by one trader as "strong." The markets are taking

heart from the growing conviction that the Fed must soon relax at least part of the credit restriction which it anti-inflation package.

Recent economic indicators suggest that the economy is moving into a recession somewhat faster than the Fed would like. The sharp contraction in the money supply in the last four weeks is also seen as an unhealthy trend.

These considerations might prompt the Fed to ease the monetary reins and try to nurse the economy into a

various Arab ambassadors wend

During the afternoon, repre-

Police were still awaiting the

sentatives from Arab League

ambassadors to mediate.

soft landing. The Fed will also have to do something about its discount rate (the rate at which it lends funds to bank members of the reserve system). This rate, currently 13 per cent plus a 3 per cent surcharge for large banks, has not been changed since

rates turned, The main Fed funds rate overnight Interbank which is normally rate) higher than the discount rate, yesterday dipped more than a point below it, to 111 per

The Fed has already made it clear indirectly to Wall Street through its interventions in the Fed funds market that it wants interest rates to fall. However, the market is now looking for some overt

Pressure for cut in MLR

BY PETER RIDDELL, ECONOMICS, CORRESPONDENT

Minimum Lending Rate though there is influential official advice urging caution.

A reduction still fall in U.S. prime rates. The City financial markets will be figures, due to be announced tomorrow for any clue to official intentions.

The build-up of political pressure, notably from the Prime Minister, has been the main new development of the interest rates and in her BBC radio interview on Sunday's "World This Weekend" she said MLR "would not be kept

up a moment longer than it has This "moment" is now the

England, is against an early growth of the money supply. looks move.

out like last year when a couple of months' favourable money looking at the new banking supply figures were followed by MLR. a deterioration. There is a natural desire not to have to follow a cut in MLR with an increase later this year.

In particular, officials are concerned about current strong inflationary pressures and they last fortnight. Mrs. Thatcher are uncertain about the demand has never disguised her dislike for bank loans, especially from of last year's increases in industry, and about the industry, buoyancy of domestic credit

A further complication is the end of the corset controls on the growth of the banks' operations. Some lending which has evaded these controls-the sosubject of lively debate within called commercial bill leak-

STRONG POLITICAL pressure the Government. Some minis- may now be switched back into is building up for a cut in terial and the majority of official more conventional forms of opinion, both within the lending and this would boost Treasury and the Bank of the published figures for the

Consequently, the Treasury earliest in spite of the further desire to avoid being caught at least another month's figures -or possibly two months'-before considering a change in Market expectations about a

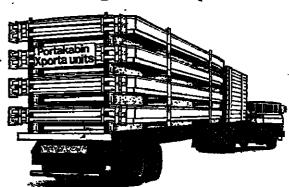
cut have increased following indications from Sir Geoffrey Howe, the Chancellor, that the underlying rate of monetary growth is within the target range. Respected analysts such as Barclays Bank have also said that a cut would be justified by the middle of the year.

ž in New York

spot \$2,2560-2580 \$2,2600-2615 1 moonth 0.77-0.70 dis 0.60-0.55 dis 3 months 1.47-1.41 dis 1.48-1.42 dis 12 months 3,65-3.45 dis 3,90-3,75 dis

Portakabin **Xporta Series**

Instant buildings in 'flat-pack' format



A fast-moving service for your accommodation needs—worldwide

Room to live, work and play anywhere in the world, supplied complete with all fittings, furniture ... everything. Xporta units are complete buildings packed flat for ease and economy of transport, erected on site in just a few hours. Backed by the unrivalled experience and resources of Portakabin, W. Europe's foremost manufacturer of instant accommodation: use Xporta units for bachelor quarters, family homes, dormitories, offices, kitchen/diners...just tell us what you want.

The Portakabin international network includes

Portakabin BV, Holland. Portakabin GmbH, W. Germany. Portakabin Sari, France. Agents in Bahrain, Denmark, Eire, Greece, Italy, Iran, Iraq, Japan, Jordan, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia, Sweden, U.A.E., United States, Yemen

Portakabin is a registered trade mark British patent 1520272 and further patents. Other patents applied for. Designs registered and pending. © Portakabin Limited

For the full facts on Portakabin accommodation worldwide contact John Kershaw, Portakabin Limited, Room 2CH, Huntington, York YO3 9PT Telephone York (0904) 28960 Telex 57849 Porta G



Hunts to sell silver worth \$820m BY JOHN MAKINSON IN NEW YORK THE HUNT brothers of Texas \$1.1bn with a group of 13 North commodities will slowly dispose of around 63m ounces of silver under an

leading North American banks and Placid Oil, a Hunt family The silver, valued at around \$820m at current prices, represents around one-seventh of the

agreement reached between

Western world's silver consumption in 1979. It is almost certainly less, however, than the Hunts owned a few months ago. They have been obliged to sell the metal meet commitments on futures contracts: the sales were prompted by a dramatic fall in the silver price from \$50

to less than \$11.

that it had arranged a loan of any speculative positions in silver.

American banks. It said \$300m markets. has aiready been advanced. Placid will transfer most of revealed during last week's

the loan proceeds to a partnership which it is forming with the Hunt brothers. The credit will be used to pay loans secured on a variety of assets, including the silver. The loan will be for 10 years

and is designed to relieve pressure on the Hunt brothers to sell their silver. They would otherwise need to sell silver fast to meet payents. Forced sales could depress the silver price dramatically.

The \$1.1bn financing should be completed within the next few weeks, Placid said. The Placid anonunced last week Hunts have agreed not to take

John Wicks adds from Zurich: The Hunt Brothers now owe Swiss Bank Corporation considerably less than the sums

Congressional hearing, the bank The Brothers said on Friday that their debts to SBC amounted to \$100m on the part of W. Herbert Hunt and to more than \$100m in the case of

Nelson Bunker Hunt. The sums have been "substantially reduced in the past weeks," according to the bank, and are fully covered by diversified collateral. The bank would not say if any of this collateral was in the form of

Carrington's reminder for U.S.

THE U.S. should not lose sight Carrington has made clear the o fthe broader issues in its con- British view that military action cern for the release of the against Iran would be counterton, Foreign Secretary, has neighbours into Soviet arms. In talks with the President briefly at the White House, and and his foreign policy advisers then Mr. Zbigniew Brzeunski, yesterday, and in several tele-

appearances, Lord and Mr. Warren Christopher,

In an early morning TV interview, Lord Carrington did not

Warning for Carter in Texas

victory PRESIDENT JIMMY CARTER and Mr. Ronald Reagan are expected to increase their leads for their parties' nominations in four primary contests today —Indiana, Tennessee, North Carolina, and the District of Columbia — following Pyrrhic victories in Texas over the

President overwhelmed Senator Edward Kennedy in the Democratic popular vote in Texas, a big and weighty state in the electoral process. He won 56 per cent of the vote, against 22 per cent for the Senator. Though delegate apportionment was separately determined, Mr. Carter is sure to get at least 100 of the state's 152 Democratic delegates.

The President may have beaten his rival in every demographic category in Texas execpt for Mexican-Americans. But the blemish in his victory, boding ill for the general election against a Republican. In the Republican race, Mr. Reagan beat Mr. George Bush in the popular ballot—but only by a measly 5 per cent (52-47 per cent) in a state which the Californian swept in 1976 against President Ford. against President Ford. However, the canny Reagan many times before, that any setback in the popular vote result was redeemed by the outcome in delegate selection. Winning a probable 65 out of 80 Texan delegates put Mr. As representatives of both East and West gather for Tito's funeral

Meetings likely in Belgrade

high level East-West contacts, including a possible meeting should keep talking especially between Chancellor Helmut at times of international crisis. Schmidt of West Germany and This is evidently the view of Herr Erich Honecker, the East German Leader.

Officials in Bonn have indicated that West Germany would give a cautious welcome to such a meeting, but much depended on the East German attitude. Herr Schmidt was due to visit East Germany in the early part of this year-it would have been the first intra-German summit for almost a decade but the Soviet invasion of Afghanistan complicated the

day that East-West links at the its troops from Afghanistan. Vienna on May 16. The U.S.

President Tho—both sides Moscow since the Afghan inva-should keep talking, especially sion—a fact which has promp-This is evidently the view of the Chancellor, who will travel to Yugoslavia with Herr Hans Dietrich Genscher, his Foreign

It is still uncertain who will represent East Germany at the funeral. Herr Honecker praised President Tito's "anti-fascist" policies extravagantly in a message carried by the East German press yesterday.

THE FUNERAL of President Belgrade funeral would be in The Chancellor will thus be the Tito could provide the scene for keeping with the philosophy of first Western leader to visit sion—a fact which has promp-ted criticism from the Chris-Democrat opposition,

> Schmidt should not become an "interpreter" between the United States and the Soviet Union Moscow and Washington should talk to each other directly and not through Boan, stressed Dr. Helmut Kohl, the CDU leader.

The super powers, however, erman press yesterday. now seem set to open up a Herr Schmidt confirmed last direct dialogue. The White week that he was planning to House has approved a meeting go to Moscow "in the near between Mr. Edward Muskie, future" and that he would use the Secretary of State-designate the opportunity to urge the and Mr. Andrei Gromyko, the Bonn officials argued yester- Soviet leadership to withdraw Soviet Foreign Minister, in



Herr Honecker-praise

and the USSR will also be represented by senior officials Mr. Walter Mondale, the Vice-President, and Mr. Vassili Ruznetzov, the Soviet Deputy

Subdued Soviets offer profound sympathy

and respectful, with expressions lences" to the Yugoslav party of sympathy for the Yugoslav and State and the Communist people and no mention of the Party newspaper Pravda, yesterserious differences which day carried the news of President Tito's death in a brief from a succession of Kremlin front page report.

rulers.

SOVIET REACTION to the influence in the Balkan State.

death of President Tito of The Soviet party and GovernYugoalavia has been subdued ment offered "profound condo-

In keeping with a policy that Tass, said that Mr. Marco may have been decided years Orlandic, the Yugoslav Ambasago, the Soviet are now expected to wait cautiously for meetings at his request with the situation in Yugoslavia to Mr. Andrei Gromyko, the Soviet

There is believed to be little prospect of Soviet pressure on Yugoslavia itself in the short run but Moscow may seek to take advantage of the weakened authority of Yugoslavia in the non-aligned movement now that President Tito is gone, to renew efforts to bring the movement in line with Soviet aims.

As one of the founders of the non-aligned movement become clearer before making Foreign Minister, and Mr. President Tito had great per-any attempt to increase their Mikhail Suslov, the chief Party sonal prestige and he defended

ideologist to discuss President the idea that the non-aligned Tito's death. movement should keep its distance from both power bloss. He argued with Mr. Fidel Castro, the Cuban leader, at the non-aligned summit in Havana last summer after Mr. Castro said the Soviet Union was the "natural ally" of the move-

> But the Soviet Press has avoided polemics against Yugo-slavia since President Tito fell ill and this is expected to be the pattern for at least the next

New DC-9 test failure may hit deliveries

By Our Foreign Staff

MeDONNELL-DOUGLAS said restorday the tall separated from one of its new DC9 Super 80 airliners during high sink-rate landings at

Edwards Air Force base.

The rear section of the fuselage behind the engines, including the T-tail assembly, came off during a heavy land-ing on Friday, the company said, but the rear pressure bulkhead remained intact.

The aircraft is the latest version of the DC-9 and it has been widely seen as a major contributor to the growing short-haul aircraft market in the 1980s. It made its maiden flight only last year, and the first model was to be delivered later this year.

The company has more than 100 firm orders and options the Super 80, worth at least \$1ba. Swissair, so far, is the largest customer with 15 firm orders and five options with Anstralian Airlines right behind with nine firm orders and three options.

Citroen plan to cut May output By David White in Paris

FURTHER EVIDENCE of a slump in demand for French cars came yesterday when Automobiles Citroen an-nounced that it would close down its factories for five working days this month.

The company, one of the main arms of the Peugeot-Citroen-Talbot group, said it had chosen this path instead of reducing its standard working hours. The closedown, which includes a four-day stretch from May 27 to May 30, will affect all its plants except for one motor factory in Lorraine which will shut for only two days. Citroen closed down for two days in early February.

Denmark agrees economic package

THE DANISH Social Demoeratic minority Government reached agreement yesterday with the Radicals, Christian Peoples' Party and Centre Democrats on economic policy measures designed to reduce the country's balance of payments deficit, Hilary Barnes writes from Copenhagen.

The agreement includes an increase in Value Added Tax higher taxes on oil, petrol and electricity, cuts in public spending and a programme of measures to help employment and business.

Botha intervenes

MR. P. W. BOTHA, the South African Prime Minister, yesterday intervened in the three-week-old school boycott by teus of thousands of coloured (mixed race) school students, with a promise to consider an inquiry into the whole field of South Africa's racially-segregated education system, Quentin Peel writes from Johannesburg,

IMF proposes tough measures for Turkey

BY METIN MUNIR IN ANKARA

THE International Monetary Fund (IMF) is not satisfied with the progress the Turkish economy has made following the Government's economic stabili-sation measures last January and has recommended new corrective measures, a senior official said in Ankara.

The recommendations centre around five principal points:

A new devaluation of the Turkish lira by 20 per cent to maintain a realistic exchange rate policy. • An increase in the level of

 An increase in the level of interest rates to mobilise private savings as well as to increase the effectiveness of monetary policy.
 New legislation to raise some tax rates to take account of rapid inflation A new upward adjustment of the prices of goods and services sold by state

enterprises. A limit on wage awards to Mr. Suleyman Demirel, the stem the increase in the rate of Prime Minister, is at the head

per cent in 1980, compared with 80 per cent in 1979. Exports and expatriate workers' remittances have not responded

Turkey and the IMF are in the process of negotiating a new stand-by arrangement for one year. - This will be the third consecutive arrangement since Turkish Governments began seriously trying to resolve the country's economic crisis in

Mr. Turgut Ozal, the Govern-ment's chief economic advisor, is expected to fly to the U.S. today to hold discussions with Fund officials. He is expected to reach an agreement in principle on his country's Letter of Intent and the new stand-by arrangement is expected to go into effect at the beginning of

of a minority Government and The stabilisation measures is having difficulty with the have not stopped the accelera- parties supporting him, who tion in the rate of inflation may not find the IMF's prowhich is expected to be over 100 posed measures palatable.

Palestinians keep up West Bank violence

BY DAYID LENNON IN TEL AVIV

to be intensifying yesterday as the Palestinians continued their violent protests against the The disturbances in the last occupation and the negotiations few days have spread to lowns with Egypt over Palestinian and villages which have seldom autonomy tehered on the verge of collapse.

The West Bank is still racked by widespread protests by the 700,000 Palestinian residents. angered by the deportation of three of their leaders following last Friday's guerrilla attack on Jewish settlers in Hebron.

At the autonomy talks here, the American mediators were desperately trying to prevent a total breakdown. The problem arose when the Egyptian delegation suspended its participation in the working sub-committees because of Israeli refusal to establish a committee to discuss security arrangements for the West Bank after autonomy has

Despite a tough clampdown by the Israeli Army, there have been shop-keepers' women and children have staged protest meetings, street unrest and resista marches, and Israeli vehicles occupied territories. bave been stoned. The army has responded with tear gas, clubs, curlews, forced opening of shops and prests.

The death toll in Friday's

attack rose to six yesterday when one of the 17 people wounded in the grenade and automatic rifie attack died in

hospital.
The swift expulsion on Saturday of the mayors of Hebron and nearby Halhoul and the riligious leader of Hebron, far

ISRAEL'S PROBLEMS with the from cowering the Palestinians occupied West Bank appeared living under occupation, has situation even further.

The disturbances in the last before played any role in the protests against the occupation In Gaza there was an unsuccessful grenade attack on an Israeli

military vehicle. Hebron and the surrounding area remained under curfew for the third day yesterday as the army continued its search for the guerrillas. The Israelis demolished four Arab-owned shops and houses beside the Hadassah building where Jewish settlers have been squatting since last year and which was the site of

the attack. Four leading West Bank Pales-1. tinians won a high court interim injunction against any attempt by the military authorities to deport them. They are all mem-Committee, (NGC), the Palestinian Liberation Organisationoriented body which Israel says plays a major role in fermenting unrest and resistance in the

The deported mayors leading members of the committee as are the mayors Ramallah, El Bireh and Nablus, who say they have also threatened deportation.

On Sunday, Cabinet held discussion about the deteriorating security situation on the West Bank and agreed that firm measures should be quell disturbances.

RIOTS IN ALGERIA

Berber fight against **Arabisation policy**

BY OUR FOREIGN STAFF

opened a cultural and ethnic wound which has grave political implications for Chadli Ben Jedid. President

Government's "Arabisation" will be taken of policies erupted into battles and education. with the security forces which left scores injured, at least one reported death, and hundreds

The Berber heartland in the

mountainous Kabylia region of northern Algeria, about 80 miles east of the capital, has been the centre of the dispute. Unrest was sparked off last month, when the regional governor of Tizi Ouzou banned a lecture on ancient Berber poetry at the town's university. Gendarmes and military security forces moved into the university and hospital to break up a sit-in by students and staff.

As many as 200 people were reported injured. The students demanded that the Government should recognise freedom of expression and popular culture, rather than force both into a predetermined

national mould.

Students in Algiers demonstrated in sympathy with their culture are very different from Tizi Ouzou fellows, and met a baton charge from the police.

A pitched battle was also reported between security forces and workers in Tizi Ouzou's large electronics factory. A popudar local singer, but the people of the mountains was among those

Tizi Quzou riots empasise the lack of control all practical purposes, however,

arrested.

A VICIOUS riot and a series exercised by President Chandli, of demonstrations in Algeria elected just over a kear ago to over the past month have succeed the late President Houari.

The demonstrations must also be seen in the context of the run up to the party congress The campaign by Algeria's of the ruling Front de Libéra-5m Berbers, about a third of tion Nationale later this the population, against the Government's "Arabisation" will be taken on the economy

> been loath to tolerate threats to the supremacy of literary Arabic as the official language, even though it differs greatly from the "dialect" Arabic of everday use. Government control over the

media, and thus over the free-dom of expression and information has been an additional and widespread grievance. Algerian leaders are fond of

quoting a formula used by one of the early nationalist leaders, Sheikh Ben Badis, which states: Arabic my language; and Islam my faith. Sheikh

Sheikh Ben Badis also recognised the Berbers' role, but the Government has ignored that fact..... Most people in the Maghreb-

which comprises Tunisia, Algeria and Morocco are of

that of the few thousand Arab invaders who occupied the region about 1,000 years ago. The coastal plains, at least around Algiers and Tunis, were Arabised after a few centuries, and remoter areas clung to their

culture. Teaching of Berber has, for



been banned in Algeria independence in 1962. The problems of the Kabylia also have roots in recen French colonial history. The French singled out the Berbers for preferential treatment and education.

And education during the 130 years of their
The Government has always rule.

Many Kabyles fought alongside French troops during the two world wars, and many have worked in France since

> The French, arguing that St. Augustine was a Berber, hoped convert the Kabyles to Christianity and divide them from the Arabs.

Kabyles hold prominent posts today in Algeria, as senior civil servants, diplomats, and in universities, but not usually in the upper echelons of the army, although Algeria's offertive second in command. Mr. Kash Merbah, the secretary-general of the Ministry of Defence is a Kabyle.

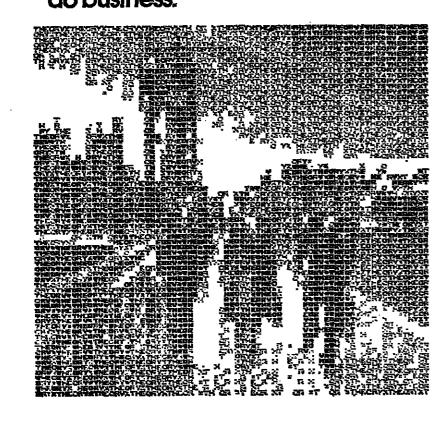
The speeding up of the Arabisation campaign last winter has without doubt played a greater part in the present unrest than the "external" manipulations which Algerian

officials have alleged Earlier this month, the President, replying to Kabylia students, rejected their demands and claimed that discontent was being stirred up by foreign interests Algeria had increased its energy

prices.

FINANCIAL TIMES, published except Sundays and holidays.

HEORY A top international bank should be located where its customers do business.





At Continental Bank, we think geographical proximity is not just desirable, it's essential.

Proximity increases communication. Reduces response time. And leads to a strong working relationship. So our financial teams are never more than minutes away from the headquarters and subsidiary offices of the customers they serve. It's what you expect from a top international bank. At Continental Bank, it's reality.



Continental Illinois National Bank and Trust Company of Chicago

Argentina - Austrála - Austría - Bahamas - Bahrain - Belgium - Brazil - Canada - Colombia - France - Greece - Hong Kong - Indonesia - Italy - Japan - Kenya - Korea Letanon - Malaysia - Mexico - The Netherlands - The Philippines - Sintanore - Spain - Switzerland - Taiwan - Thailand - United Kingdom - Venezuela - West Germany Malaysia • Mexico • The Netherlands • The Philippines • Singapore • Spain • Switzerland • Tai United States • Chicago • New York • Los Angeles • Houston • Dallas • Miami •

Karamanlis elected Greek President

BY OUR ATHENS CORRESPONDENT

of the Republic by the Greek country's future.

With both the Pan Hellenic Socialist Movement (PASOK) of Mr. Andreas Papandreou and the Moscow-line Greek Communist Party (KKE), which composition does not together hold 104 of the 300 governmental stability. The question now is his election, Mr. Karamanlis failed to obtain the required deprived of its charge and the stable to the st 200 votes in the first and second

ballots last month.
The New Democracy Party commands 174 seats and the nine additional votes yesterday came from Deputies of the five parties, and smaller : Independents.

Mr. Karamanlis will be the country's second President since the Greeks cliose, in a 1974-referendum, to abolish the monarchy. He will replace Mr. Constantine Tsatsos, whose fiveyear term ends on June 20

scene for the past 25 years—during which he was Prime

THE veteran Greek statesman Minister for 14 years—is Mr. Constantine Karamanlis, expected to use his presidential was yesterday elected President prerogatives to regulate the

Under the constitution, he Mr. Karamanlis, 73, who is will not be involved in formuleader of the ruling New lating policies, but can block bemocracy Party, received 183 legislation, hold a referendum votes, a narrow three-vote on crucial national issues, and margin above the 180 required dismiss the Government after in the third and final ballot consulting with the Council of

the Republic. He can also dissolve Parliament if it is in obvious discord with public sentiment, or if its composition does not ensure

The question now is whether the New Democracy Party, deprived of its charismatic leader, will be able to keep its cohesion and effectively deal with the problems facing the

It will also face mounting pressure from PASOK, whose anti-NATO and anti-U.S. stand helped to double its support to 25 per cent of the electorate in the 1977 elections. The New Democracy Party's

Parliamentary caucus is expected to elect a new leader this week. The choice is likely to be between Mr. Evangelos Averoff-Mr. Karamanlis, who had Tossitsas, 70, Defence Minister, dominated the Greek political and Mr. George Rallis, 61, Foreign Affairs Minister.
Mr. Avereff-Tossitsas first

with exports of 1.1m b/d, all of which have been committed.

would mean either increasing

the State Sircartso steel mill on

to another client



served as a Cabinet Minister in 1946 under Mr. Sofocles Venizelos, founder of the Liberal Party, but has come to be associated with New Democracy's right-wing.

He was Foreign Minister under Mr. Karamanlis from 1956 to 1963 and played an active role in the Resistance against the military juntar which seized power in 1967.

In his present post as Defence Minister, Mr. Averoff-Tossitsas has been instrumen problems. tal in consolidating democratic

rule by effectively controlling the armed forces after the collapse of the seven-year Dictatorship in 1974.

He is also responsible for modernising the Greek military cate task of dealing with the problem of Greece's return to the military wing of NATO.

Despite his monarchist and right-wing past, Mr. Rallis is regarded as a moderate who could attract centrist votes to the party when a election is next held. general

The present Cabinet will remain as a caretaker Government under Mr. Karamanlis until the election of a new Prime Minister. The new Government is expected to be formed soon and seek a vote of confidence in Parliament later

this month. Mr. Papandreon said yester-day that the Parliament which elected Mr. Karamanlis to the Presidency "no longer correctly represented the will of the

people."

He again called for general elections which, he said, would result in a Government better able to deal with the country's national, social and economic

Editorial Comment, Page 16

Ohira fails to arrange Mexican oil deal

BY WILLIAM CHISLETT IN MEXICO CITY

JAPAN'S Prime Minister, Mr. its level of production—at Masayoshi Ohira, failed during present 2.1m b/d, with exports his three-day visit to Mexico of about 800,000 b/d—will be to get a firm commitment on levelled off at about 2.5m b/d, increased oil supplies. Mexico will supply Japan this year with a maximum of 100,000 barrels a day, and Japan wants 300,000 b/d by 1982.

Mr. Ohira came to Mexico at a time when Japan is feeling the pinch because of a cut-off in its oil supplies from Iran.

Japan was hoping that in return for increasing investment in Mexico, PEMEX, the State oil monopoly, would be more forthcoming in raising its

But, Mr. Ohira-said, Sr. Jose opez Portillo, Mexico's President, had told him he could not promise further supplies the already agreed

100,000 b/d. The Mexican Government has consistently made it clear that the Pacific coast.

Struggle against Israel in new phase, says Arafat

BY IHSAN HIJAZI IN BEIRUT

the West Bank town of Hebron on Friday constituted a new phase in the Palestinian struggle against Israel, Mr. Yassir Arafat, Palestine Libera-For Japan to receive 300,000 b/d Organisation chairman,

production or cutting exports "The operation in Hebron has dealt a severe blow to Israeli plans to set up Jewish settlements on Arab land," he told a Palestinian rally in The two countries agreed to intensify their bilateral rela-tions. Japan's trade surplus with Mexico in 1979 was \$364m, Kuwait. Mr. Arafat's own guerrilla

and this year the surplus could be in Mexico's favour with the group, Al-Fatah, has claimed responsibility for the raid on Hebron, in which five Jewish starting-up of oil supplies. 'Total cumulative Japanese investment in Mexico at the settlers were killed and 17 end of 1979 was \$362.3m-5.3 wounded. Mr. Abu Jihad, Fatah's per cent of total foreign invest

military commander, said here that "Israel understands only Japanese steel mills are com-pleting feasibility studies for three projects connected with the language of bullets." Israel had completely ignored all UN the second expansion stage of

resolutions

THE GUERRILLA attack on Hebron attack were local Arabs substantiated observers' speculations that the guerrillas have succeeded in setting up secret resistance calls inside Israeli-occupied territory.

> Mr. Arafat, whose speech was repeated by the PLO's news agency, Wafa, said he had issued instructions to Mr. Zehdi Terzi, the PLO's observer at the UN, to seek an emergency session of the Security Council to discuss the deportation to Lebanon of three West Bank leaders by the Israeli authori-

Al-Qawasmah Mr. Fahd Mayor of Helsron, Sheikh Rajals Al-Tamimi, and Mr. Mohammed Milhen, Mayor of Halbul, told a Press conference here on Saturday that the Israelis had seized them at their homes, put them on a Israel's admission that the helicopter and had taken them guerrillas who carried out the across the border into Lebanon.

200 companies, thanks to oxygen, spent £15 million less on fuels last year. Was yours one?

An energy-saving proposition from BOC Gases Division

BOC oxygen. It cuts the money industry spends on premium fuels and releases them for use elsewhere.

It gives up to 20% coke saving in foundry cupolas. Up to 20% fuel saving in furnaces firing heavy clay work. Up to 40% in mineral processing furnaces. And as much as 50% in metal melting furnaces.

And so it goes on -£15 million-worth of the nation's precious energy resources saved by oxygen in one year.

Chances are we can save fuel and money for you. Our system is easy to put in and we deliver supplies without your having to think about it - by road in bulk,

by pipeline or by on-site generation.

Raise it at your next Board Meeting. You'll find your technical men very enthusiastic.

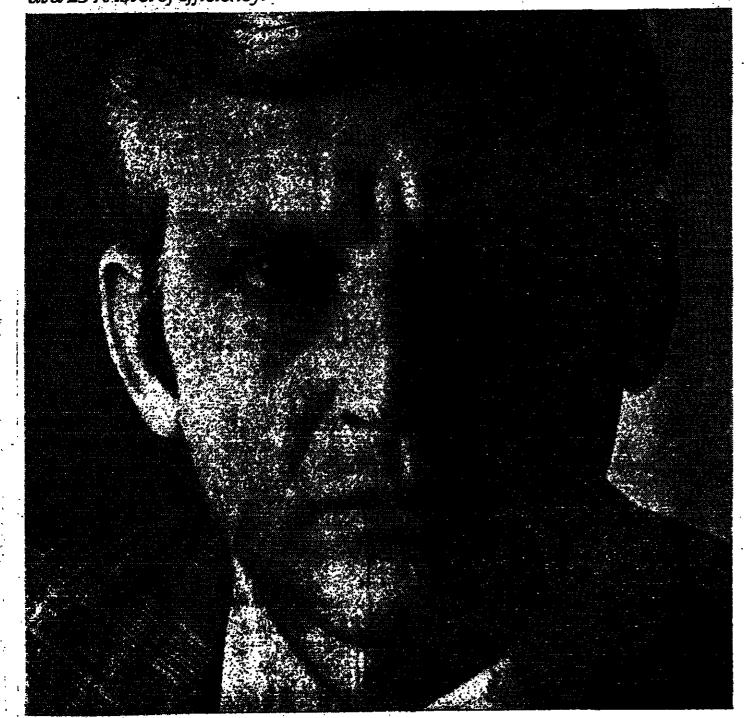
BOC gas processes can conserve energy, increase safety, improve reliability, cut costs and save capital expenditure. If your secretary gives us a ring we'll be delighted to send you our new brochure "Answers for the 80's". It's a real-

BOC Gases Division, Great West House, PO Box 39, Great West Road, Brentford, Middlesex TW8 9DQ. 01-568 5938 (24-hour line).



KNOWING HOW TO LISTEN TAKES MORE THAN TWO GOOD EARS.

Most of us have perfectly good ears. So why, then, are we such perfectly awful listeners - listening on the average at a 25% level of efficiency?



The fact is, there's a lot more to listening than hearing.

After we hear something, we must interpret it. Evaluate it. And finally, respond to it. That's listening.

And it's during this complex process that we run into all kinds of trouble. For example:

We prejudge-sometimes even disregard-a speaker based on his delivery or appearance.

We let personal ideas, emotions or prejudices distort what a person has to say. We ignore subjects we consider too difficult or uninteresting. And because the brain works four times faster than most people speak, we

too often wander into distraction. Yet as difficult as listening really is, it's the one communication skill we're

never really taught.

Well, as a corporation with more than 88,000 employees, we at Sperry are making sure we use our ears to full advantage.

We've set up expanded listening programmes that Sperry personnel from our five divisions worldwide can attend. Sales representatives. Sperry Univac computer engineers. Even the Chairman of the Board.

We're convinced that effective listening adds a special dimension to what we can do for our customers. And when you speak to someone from Sperry we think you'll be equally convinced.
It's amazing what more than two good ears can do.



We understand how important it is to listen.

Sperry is Sperry Univac computers, Sperry New Holland form equipment, Sperry Vickers fluid power systems, and guidance and control equipment from Sperry division and Sperry Flight Systems.

Price rises help to boost total German trade 43%

BY LESLIE COLITY IN BERLIN

PRELIMINARY figures show during the same period last plant. Poland recently ordered that trade between the two year East German industry was Germanies rose 43 per cent in stricken by severe winter the first quarter of the year to some DM 2.7bn (£658m) with of West German plant and important for Polish buyers gouinment for projects. East German deliveries expand- equipment for projects. ing 47 per cent and West German deliveries rising 37

West German trade officials note that the extremely sharp able with the best opportunities growth in East German exports to DM 1.4bn is largely a result of the price rises for East German energy, mainly refined oil, sent to West Berlin. East man energy, mainly refined oil, where current Polish investsent to West Berlin. East ments have not been cut back tern investments in Poland,
Germany imports nearly Im the report by the West mainly in the service sector,
fro mWest Germany and ships plans to increase imports from the office explained. They were
back double the amount in the West have not back tern investments in Poland,
The report by the West mainly in the service sector,
plans to increase imports from the office explained. They were back double the amount in refined products.

The steep rise in West German exports to East Germany fewer turnkey plants being practical examples of the joint to DM 1.3bn is somewhat disimported and more individual ventures which Poland has per-

panies that the outlook for agency. exporting to Poland is favour- Expor said to lie in consumer goods, raw materials, energy and raw materials, energy and ones, are said to the transport. These are the sectors enhanced when financing is simple transport. These are the sectors enhanced when financing is the West by 5 pe reent this year, restricted by limitations on about the same rate as last year. ownership as well as financing This will continue the trend of problems. There are still no

important for Polish buyers although the West German office West Germany's trade promonotes the counter purchasers tion office in Poland has, mean-need not always come from the while, advised German com-importing Polish foreign trade

Export chances in Poland for West German companies, in par-ticular smaller, medium-sized ones, are said to be greatly torted, the experts say, because machines to modernise existing mitted since last year.

Change sought in export credit

REPRESENTATIVES of the interest rate terms. But many that the agreement, as it stood, main industrialised countries countries in the group say it should be scraped. It effectively will meet in Paris next week has led to a large increase in penalised the low-inflation between May 12-14 to discuss indirect subsidies on export countries like Austria with low modifying a four-year-old credits because of sharp diver-export credit agreement which gences since 1976 between the This was be its critics say allows govern- statutory interest rate miniments to grant \$3bn a year in mums and market interest rates disguised export subsidies.

A group of 21 member countries of the Organisation for Economic Co-operation and Wallen, head of the Swedish Development (OECD) agreed Export Credit Guarantee Board. officially-supported export in July, 1976, to set a series sent system of uniform fixed of minimum interest rates interest rate minimums should on officially-supported export be replaced by a more market-credits. This was part of a bid orientated arrangement. to dampen ruinous competition in the provision of export of international operations at but the subsidy element on U.S. credits by major governments. Australia's export finance body, export credits was also rising which had been increasingly the Oesterreichische Kontroll- because of the sharp trying to undercut each other's bank, said in London last week in U.S. interest rates

The group will discuss a report drawn up by Mr. Axel markets. Wallen, head of the Swedish Unless which recommends that the pre-

Dr. Ernst Loeschner, director the Oesterreichische Kontroll- because of the sharp increase

This was because it enabled higher inflation countries to grant export credits at subsidised interest rates well below those on their domestic capital

Unless the system was changed, the subsidy element in export credits granted by OECD countries would rise to around \$3bn this year from \$2bn over the past two years. country to have taken most advantage of this was France,

Alia taps Amman market for

By Rami G. Khouri in Amman

\$30m loan

ALIA AIRLINES of Jordan has tapped the highly liquid Amman market for a \$30m syndicated loss that also breaks new ground in the growing local trend towards more syndicated loans.

The loan is for 9m dinars (£13.1m), guaranteed by the Government of Jordan and

Government of Jordan and repayable in 11 years, including three years for drawdown and two years grace.

It is being used to finance part of a \$400m package for five Lockheed TriStars and one Boeing 747. The interest rate is an annual 8.5 per cent, with 0.75 per cent comwith 0.75 per cent com-mission, making for an effective annual interest rate of 9.25 per cent. This is the largest and longest syndicated loan ever put together in Jordan, reflecting, as do the exceptionally advantageous terms, the new willingness of local banks to commit them-selves for more than 10 years, and the perceived credit-worthiness of the State-owned airline itself.

Arab Bank is the lead manager and agent for the loan, and is providing 2m dinars. The four managers, each putting up 1.5m dinars, are Citibank, Chase Man-hattan, British Bank of the Middle East and the semi-State Housing Bank of Jordan The three other local participants in the syndicate are the Bank of Jordan, the Jordan National Bank and the

• Japan's All Nippon Airways has ordered six more 747s for about \$360m, which will raise the carrier's 747 fleet to 13, Reuter reports from Seattle. The new aeroplanes, all of them shortrange SR models, will be delivered between May and December, 1980, and in February and March, 1981.

U.S., Japan lead 'too big'

BY GUY DE JONQUIERES IN MONTE CARLO

expressed by speakers on the the market and first day of the World Electric able operation. tronics Conference in Monte Carlo yesterday, organised by the Financial Times and Macintosh International.

Doctor Robert R. Heikes, international vice-president of National Semi-Conductor of the U.S., argued that the U.S. and Japan had such a big lead in semi-conductor manufacturing that it was too late for most European countries and companies to enter the business.

east a period of rapid growth for Europe's semi-conductor industry, during which the technological and commercial lead of the U.S. would be further eroded.

Ultimately, he suggested, the boundaries between the pany from scratch unless they American and European micro-electronics industries might disting up their sleeve," he said. appear, to be replaced by world enterprises manufacturing world products to world standards. semi-conductor manufacturing, tronic components function-

about Europe's role and pros-buge investment in research, basic circuits to manufacturers pects in the world micro-development and plant that who had already established electronics market were would be needed to penetrate themselves. the market and create a profit-

The economics of the industry dictated that only companies whose internal demand for electronic components amounted to at least \$100m (£44m) a year, should consider making their own micro chips. That restricted the field to companies with annual sales of more than \$2bn. Some countries were seeking mistakenly and out of a sense of "near paranoia" to create

their own semi-conductor indus-

panies to enter the business.

But, Dr. Friedrich Baur, executive vice-president of Siemens of West Germany, foreto produce very large-scale integrated (VLSI) circuits. "It appears to me that the likelihood of forming a profitable venture in VLSI circuits is very small. It is simply too late in the day to start a new com-

> A more sensible strategy for newcomers to the microelectronics market was to con-

SHARPLY contrasting views seriously underestimated the while leaving production of the

He pointed out that the market for this type of expertise was expanding rapidly, because the trend in the micro-electronics industry was increasingly towards incorporating individual components and devices into complete systems. This process requires much work on the development of

While agreeing that this trend was under way, Dr. Baur argued that the European semi-conductor industry was enjoying a resurgence. After being over-shadowed by the U.S. for many years, Europe had started in 1970 to develop strategies which had enabled it to become an initiator rather than a follower in the micro-electronics field.

Production would grow faster in Europe than in the U.S. during the next decade, he fore-

Moreover, as it became increasingly important to incorporae disparate components into complete sysetms, European semi-conductor producers would be at an advantage because they Dr. Heikes said that many centrate on designing software were mostly part of bigger European concerns proposing to the programme and instructions of products using required to make electronic manufacturers of products using the programme and instruction of products using the programme and instructions of products using the programme and products using the products using the programme and products using the products using the programme and products such systems, while U.S. com-

FINANCIAL TIMES

WORLD ... **ELECTRONICS** INDUSTRY

CONFERENCE

panies usually produced only semi-conductors, which they sold on the open market. Europe's future success in micro-electronics would depend in part, on continued Govern-

ment support. Mrs. Marisa Cantoni Bellisario, president of Olivetti of Italy, said that the key to seling electronics office products successfully in the U.S. lay more in establishing strong marketing and sales support operations than in offering products em-bodying highly advanced tech-

nology. American customers insisted that products met advertised specifications and were reliable. Office machinery was used twice as many hours per day in the U.S. as in Europe, and it was important to respond promptly

to customer demands for service and information. American customers judged competing products on their merits and were less loyal to suppliers than were European purchasers, she said.

Zimbabwe 'orientation' appeal

BY TONY HAWKINS IN SALISBURY

in Bulawayo, Prime Minister unspecified number of workers but the men returned to work Robert Mugabe yesterday called at Number One colliery joining yesterday after intervention by for the Zimbabwe "orientation" of foreign investment. Majority shareholdings must remain in. Zimbabwe, the Premier said, and profits must be reinvested there. No state could regard itself as truly independent, he said, until it had achieved economic self-reliance. Sound politics, he added, must be based on sound economics.

Meanwhile, an official for Wankie Colliery said that the strike which started at the weekend. At one point some head off worker disputes.

BY OUR WORLD TRADE STAFF

evidence in support of claims Industries Federation.
that they are being hurt by While the Government

cheap Soviet imports. Prompt been closely following the

action is required before an matter since the issue arose last appeal to the European Comsumer, he said in his letter it mission for anti-dumning action had hoped for more progress.

can be made, the Department than has yet been made in

the 3,250 men already out on strike.

Wankie said that unless the

BRITISH Christmas card a letter at the weekend to Mr. meeting between Federation printers are being urged to S. A. Henderson, the commercial officials involved in the issue

printers are being urged to S. A. Henderson, the commercial officials involved in the issue speed up preparation of director of the British Printing and the Trade Department's

While the Government has

preparation of evidence reinforcing the Printing Federa-

ed for

OPENING Zimbabwe's trade fair weekend had worsened with an 9,000 workers were on strike, the Minister of Labour, Mr.

> The management will be meetstrikers, who are demanding ing workers' representatives to what management calls "un-discuss grievances, but work reasonable" pay rises, promptly started today on milling the return to work they will be paid estates 1980 sugar crop.

> There has ben a rash of The Wankie strike follows industrial stoppages in Zimclose on the heels of a major babwe following Mr. Mugabe's stoppage at the Anglo-American election victory two months ago. Corporation's Hippo Valley The Government is reportedly Estates where sugar cane about to announce improved workers downed tools at the minimum wages in an effort to

> > anti-dumping unit in order to

hasten action in time to affect

grew particularly heated last

that perhaps as many as 50m

cards printed in the Soviet

Union had entered the UK and

The Christmas card issue

the 1980 Christmas season.

SHIPPING REPORT Oil tanker charters

decline

DEMAND for chatering crude oil tankers fell slightly last week. However, rates generally remained at the levels of the previous week and brokers atributed the fall to the May Day holiday rather than pessi-mism among charterers about events in the Gulf.

World stocks of crude oil remain high and this contributed to the "calm" atmosphere in the charter sector last week, as there was no feverish bid to secure oil sup-plies. Some tanker owners Parkinson's call to card makers were reported to have laid up more vessels and other ships remained idle.

Trading was limited in the Middle East, and rates in the area moved down slightly. A 320,000 ton vessel re-let from another charter, gained business at Worldscale 27 and West German charterers were reported to have chartered a very large crude carrier at around Windscale 32.

Of the smaller vessels, 82,000 ton ship gained Worldscale 75 for a voyage to the West, and a voyage to Mombasa for a major London oil compny gined rate of Worldscale 95 for a 68,000 ton vessel.

The earlier improvement in the charter rates in the Medit-teranean deteriorated last week. Rates were very close to rockbottom levels, according to John I. Jacobs and Co., London

A total of 60 tankers and combined carriers totalling nearly 9.3m tons were reported laid up or idle at the end of April, compared with 50 vessels

totalling 7.6m tons at the end of March. Howard Holder Chartering said at the end of last weet that a total of 93 tankers, oil bulk/oil and ore/oil carriers an

ore and dry bulk carriers were laid up, idle or under repair at May 1, totalled 10.35m tons. In the dry-cargo markets the sudden increase in transatiantic grain rates in mid-April was caused b ya localised shortage

caused b ya localised shortage of suitable size vessels able to load last month, according to Matheson Chartering in its report for last month.

This reflected the underlying strength of al dry-cargo markets at present and, even if the overall volume of inquiry does fall over the mid-summer, it will take time for any serious weakness in rates to develop the ness in rates to develop, the company said.

Pye wins £2½m Sweden TV deal

BY OUR WORLD TRADE STAFF

PYE TVT of Cambridge has equipment for 50 offshore oil built. Premier won a £21m order from the Swedish Telecommunications Administration (STA) to provide television transmitters to the Swedish National Radio and Television Transmission

Mr. Cecil Parkinson, the Trade Minister, has raised the long-simmering issue again in

Pye said that the STA had taken up an option for a total of 24 transmitters, which is part of a major Swedish re-equipment and expansion pro-gramme, first begun in 1976 with 22 transmitter units in the first of Pye's large Swedish

Delivery is to start this spring and will continue until June, 1981. The equipment ordered includes 14 VHF transmitters and 10 UHF trans-

The order was one of several overseas deals won by UK com-panies recently. Among the

T.K. Valves of Dunfermline, a £3m contract to supply 2,000 wellhead valves and automatic

platforms in Abu Dhabi. The company said it is hoping to win another £1.4m contract to supply similar equipment to a further 20 platforms in the Arabian Gulf;

Perkins Engines of Peter-borough, a £700.000 contract to supply vehicle diesel engines to Premier Automobiles of machined airframe parts for the Bombay, India. The engines are new Roeing 757 airliner, of Perkins six-cylinder vehicle which British Airways is a

units, to be installed in Indian-

contract was Perkin's broadlybased international after-sales and servicing network, the company said.

Mideast Numerical Control

trucks. A factor in winning the

Roadmaster

of Wales, a £500,000 contract from the Boeing Vertol com-pany of the U.S., to supply machined airframe parts for the

World Economic Indicators FOREIGN EXCHANGE RESERVES

tion's claims. were selling for prices as little

He called for a further as 15p fo rten cards.

	(Ù	5\$m)		•
	Feb. '80	Jan. '80	Dec. 79	Feb. "
J.K.	18,866	18,853	18,580	16,03
1,5.	4,545	4,668	· 3,779	4,9
N. Germany	43,780	46,222	47,348	38,4
taly	17,788	18,538	17,259	11,40
iolland	8,062	7,239	6,469	4,13
lelgium	3,208	4,078	4,097	2,60
apan	16, 66 7	16,849	16,357	28,4
rance	18,343	17,818	16,100	8.9

All these bonds having been sold, this announce ment appears as a matter of record only.

KINGDOM OF DENMARK

DM 100,000,000 91/2% Bonds due 1990

WESTDEUTSCHE LANDESBANK GIROZENTRALE

in co-operation with

PRIVATBANKEN A/S

DEN DANSKE BANK af 1871 Aktieselskab

COPENHAGEN HANDELSBANK

R. HENRIQUES JR.

THE FAIR YOU

Looking for new products, new ideas, new possibilities? Come to the India Industrial Fair in Rotterdam.

From 19 through 23 May, you'll find in the Ahoy' Exposition Centre the largest presentation of India's technical export potential ever. Over 200 participants will be there to demonstrate the range and the quality of their products. You'll meet the new gener-

ation: India's young and enter-

prising manufacturers, ready to

market to the rest of the world. They'll offer you products geared to the demanding European markets. At prices that are very, very competitive, possibly considerably lower than you are paying

now...for the same quality! They can also be your ideal partners for jointventures in the developing countries. And they can act as suitable subcontractors. Yes, this is a fair you can't afford to miss. After all, if your competitors are going to be there, shouldn't you?

Meet the people, see the products.

At the fair you will meet participants and their products in the following sectors: industrial machinery; transport & traffic; machine tools (including accessories and cutting tools); hand

INDIA INDUSTRIAL FAIR



Come to Rotterdam and meet the new generation of India's industry! and small tools; electrical engineering; electronic & communication systems; industrial castings and forgings; iron, steel & non-ferrous metal products; chemical and allied products; project & technical consultancy, including subcontracting and joint-ventures.

For more information.

The India Industrial Fair is organized by the Trade Development Authority of India.

For more information: Association of Indian Engineering Industry, c/o Confederation of British Industry, 21 Tothill Street, London SW 1H 9LP, England. Phone: (01) 930 6711. Telex: 21332 cbi g.

AHOY CENTRE ROTTERDAM May 19-23, 1980. **Coupon** Send in the coupon for free admission cards. Please send me admission card(s). Company::: Country Coupon to be sent to: TDA/CBI, P.O. Box 30009,

3001 DA Rotterdam, the Netherlands. Phone (10) 13 07 87, Telex 27151 cbibz.

PPING REPE

il tanker

arters

cline

Milk may face fair trading inquiry

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE OFFICE of Fair Trading the whole issue to the Monomilk might become available the new Competition Act. in supermarkets at up to 3p a pint cheaper than milk delivered to doorsteps.

However, milk producers in boards, among other bodies, have given a warning that The OFT might therefore moves to make milk cheaper in supermarkets might put an end to daily doorstep deliveries.

Milk prices rose by 22 per cent in the past year, adding 0.5 per cent to the rise in the retail price index. Milk accounts for 10 per cent of the average family's weekly food bill. According to a survey by the Cnosumer Association this year, UK milk is the most expensive

in Europe. In France, for example, the price is 14p a pint, compared with 164p in the UK.

A decision on the investigation is not expected for several weeks, as the Office of Fair Trading is understood to be considering alternative methods of investigation. It might refer delivery.

is considering investigating polies and Mergers Commission dairies will not supply them milk retail supply and prices fo ra full monopoly investigaunder new laws to promote busi- tion, likely to take three years, ness competition. As a result, or for a six-month probe under

> The Act, which became law at the beginning of last month, applies to agricultural market-The OFT might therefore refer either particular practices by the Milk Marketing Board or individual dairies to the Commission for investigation.

In either case, the main issue will be the supply of milk to supermarkets and the price that they may charge. Under the present complicated system of milk costings, milk sold in supermarkets is often 1p dearer that

markets is often ip dearer that that delivered to the doorstep.

Supermarket chains say that, in effect, the shop price is subsidising the cost of home delivery. They point out that the milk consumer who wants to buy from a shop should be able to do so more cheaply than they proving for doorsten. pence per pint." It adds that in Scotland, for historical reasons, supermar-kets sell milk more cheaply and have about half the retail market. But it says that a doorstep delivery system has developed in parallel with the when paying for doorstep sale of milk through super-

> "In England an dWales, con-sumers do not have the choice between price and convenience. and the true cost of the delivery system is concealed from them."

Supermarkets also say that

with milk at a price that would undercut the delivered price.

Tesco, for example, has had a number of small dairies express

willingness to supply, if allowed to, more cheaply. The company will point that out to the OFT

The dairy industry maintains

thta cheaper milk in super-

markets would make it un-

economic to deliver to door-

steps, especially if the overall in milk sales continues.

The Consumers' Association, however, says: "Consumers value the convenience of having

fresh milk delivered and we would doubt whether many

would forgo this convenience

for the sake of saving a few

this month.

Laird paid £3.75m compensation for **Scottish Aviation**

BY ARNOLD KRANSDORFF

THE LAIRD Group has reached Cammell over the relevant agreement with the Government for £3.75m compensation in full settlement of its claim for Scottish Aviation, the wholly-owned subsidiary nationalise more than three years ago.

The agreement comes nearly

a year after Laird threatened to take the matter to arbitra-

Payments totalling £2.1m have already been received and Laird says the remaining £1.65m will be paid soon. Mr. John Gardiner, Laird's

chief executive, said the settle-ment was much in line with the group's original estimate. Scotrish Aviation's book value is

"At the end of the day the settlement was fair and equitable, if late," he said. Laird still has an outstanding

claim for its 50 per cent share in Canmell Laird Shipbuilders, also nationalised in 1977. So far £400,000 has been paid. The book value is £1.5m. Mr. Gardinet said this claim was proceeding towards arbitra-

tion, probably by early next year—"unless we can settle He did not think the Govern-

ment was deliberately stalling. The claim had been delayed by a legal dispute—now settled— concerning Government aid to

period of nationalisation. Mr. Gardiner confirmed that Laird has made a conditional offer for the Martlett group in Danbee - Combex - Marx, which was placed in receivership

earlier this year. He declined to give details, but said: "Up to now, the con-ditions have not been met." Martlett comprises three com-

panies, whose activities include plastics, and plant hire and wholesaling, including a DJY Report and Accounts Page 18

Loan plan for small businesses

LOANS at fixed rates to buy machinery or extend premises are available to small businesses under a scheme Business Borrowing Plan-announced by Williams and Glyn's Bank.

The fixed rate loans are available from £10,000 to £50,000 with repayments over five years or less. Loans larger

into period of decline' BRITAIN'S ROAD hauliers are tive Total operating costs for experiencing the toughtest hauilers had risen by between trading conditions since 1975, which is generally accepted as

Haulage industry 'priced

Demand for lorry transport hauliers to accept traffic at nonhas slumped sharply since economic rates, had cut profit Christmas; hauliers have been margins by an estimated 2 per forced to lay up or consider laying up lorries for which cent to 3 per cent. there is no commercial work and haulage rates at best only marginally cover operating rates needed to cover higher

Mr. John Silbermann, the chairman of the Road Hanlage the 20 per cent rise in Association which represents hauliers wage bills which fol-15,000 haulage companies, operating 200,000 vehicles, said at the weekend that "These factors, and wage settlements in line with inflation, had forced the haulage industry into a also being squeezed by the slump in demand for goods. period of 'traumatic economic decline '.'

western area dinner at Bristol that the industry had borne "substantial increases in costs without commensurate increases in income or volume of busi-

BY LYNTON McLAIN

the worst year on record.

facing the industry would force the entire haulage sector. companies to bring to an end "automatic uplifts in pay unless for higher productivity from last year after a boom in lorry drivers was now set to demand for commercial than £50,000 or spread over become an issue of the next pay vehicles. This was partly more than five years will be linked to the bank's base rate. become an issue of the next pay vehicles. This was partly round if haulage companies are explained by a delay in the to remain viable and competi-replacement of vehicles in

12 per cent and 15 per cent vehicles at the end of 1978 to since January. The slump in an estimated 500,000 vehicles at demand, which was forcing the end of last year.

Customers were showing increasing resistance to higher costs. This was because of an unwillingness to contribute to lowed the last pay round, and insistence last year on passing on all fuel increases. The customers' own profitability was

The 13-week steel strike He told the association's which started in January added to the competitive pressures on haulage companies as lorries that normally served the steel industry looked for other work in the already highly competiess." tive general haulage market. The economic problems now This further depressed rates in

The total capacity of Britain's road haulage industry to carry the nation's goods increased commercial

Many older vehicles were replaced by larger capacity trucks and a large number were bought by companies running their own haulage operations. This development may have been stimulated by the strike o drivers employed by RHA members in January last year. Many companies have also turned to contract hire—one of the few growth sectors now

increasing at between 5 and 10 per cent a year—as a way of easing their own cash problems These factors have distorted public haulage companies and many are expected either to as the effects of the recession begin to bite. Leading hauliers are convinced that the problems will worsen, with bankruptcies coming through in the winter.

The poor state of the market is certain to influence Government plans to sell a majority formed from the state-owned National Freight Corporation. intend to amend these plansnow in the Transport Bill-but proceed before the market picks

North Sea oil gains estimate 'may be £3½bn too low'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Phillips and Drew.

The brokers estimate that in 1983-84 the total will be £8{bn at 1978-79 prices about £15bn in prices ruling at the time. The Treasury estimate of total Government oil revenues was £41bn in 1983-84, at 1978-79

This discrepancy was duction at only mentioned in last Friday's year in 1983-84.

The Government of the Budget arithmetic Civil Service Committee of the Commons, to which Dr. Paul Neild of Phillips and Drew is

In the firm's economic forecasts it is stated that this gap is crucial for credibility of the medium-term financial strategy the Treasury has under-estimated public spending and overestimated non-oil revenue.

If the official oil projections are correct there will be no scope for reflation. The Treasury has refused to publish all the assumptions underlying its oil projections, though Phillips and Drew sug-

gest that the Government may assume a lower oil production profile than most outside foresame in real (inflation-adjusted)

BY ELAINE WILLIAMS A CALL to public authorities to end fied-price tendering has

een made by the Federation of

Master Builders.
The Federation said that in-

creases in material and labour

gerous gamble for builders." It

warned its members to be wary of entering into such contracts.

Mr. Bill Hilton, the federa-

tion's national director, said:

In the past 12 months essential

materials such as bricks and cement have outstripped the

general index of retail prices.

Brick prices have on average, risen by 27 per cent, and cement

has risen 50 per cent during the

Any builder who foresaw such ment."

GOVERNMENT estimates of year, to 135m to 140m tonnes North Sea oil revenue in the in 1983-84, and that the exmid-1980s may be £315n too change rate declines from \$2.15 low, say the stockbrokers in 1980-81 to \$1.78 in 1983-84.

it assumes an unchanged dollar oil price in real terms, some of the gap could be explained by the Treasury assumptions of a higher exchange rate. But the brokers believe that a large part of the gap reflects a possible Treasury assumption of oil production at only 110m tonnes a

The Government's short-term Budget arithmetic is challenged in a review from the brokers James Capel. This maintains that public-sector borrowing in 1980-81 is likely to be about £10ibn compared with £8.5bn projection in March Budget.

James Capel highlights the import of the pay comparability awords of the Clegg Commission and the high underlying rate of inflation. These, it says, will cause a significant breach of cash limits unless further measures are taken by the authorities to cut the volume of expenditure public

The Government " would have to introduce a further Budget later this year taking about £11bn out of the economy, after The brokers assume that allowing for an assumed £800m dollar oil prices will remain the cut in the UK Common Market contribution if borrowing is to terms, that oil production rises be held down to the £81bn from 85m to 90m tonnes this -target.

prices in a tender last year would not have won the contract because his bid would have

appeared too high. But those who did win work with estimates that prices would rise by about

Labour costs in certain areas

had also risen highe rthan fore-cast. The builder had to apy

the extra to meet the deadlines

It was unfair that builders

had to estimate how prices were likely to rise in the next 12

months when manufacturers

and suppliers could increase

charges as required. He would

Department of the Environ-

"pursue this argument with the

AGREED THEN. WE NEED TO BUILD A NEW

Now is the time to call in Taylor Woodrow.

The decision has been made.

Now you need expert help, someone who can take the project through from feasibility study to completion.

Call in Taylor Woodrow for total teamwork in research, design, mechanical and electrical services and construction. We will provide the designers, engineers, project managers and a mobile and experienced team.

They've worked on 5 continents on projects ranging from dny docks to nuclear power stations, from prestige office blocks to hospitals, from breweries to pharmaceutical plants.

No matter what type of project you're considering, nor where in the world you want it, we can call on experts from within our own ranks.

Experts seasoned by years of involvement with a truly international company. With these people on your side, you have the most advanced construction technology from America and Europe at your disposal.

We can save you time and money by working closely with you and your consultants; ordering materials early to cut out delays; providing effective project management that ensures an early start on site; delivery on time, within budget and with the finest quality

We've got the experience, the expertise and an enviable track record.

Let us show you what teamwork can achieve for you and your company.

Furniture sales expected to drop 5% this year

End fixed-price tenders,

costs meant that fixed price 20 per cent were now suffering contracts were now "a dan- as a result.

for the job.

say master builders

BY OUR CONSUMER AFFAIRS CORRESPONDENT

sales this year is forecast in a year. survey of the urniture industry published today.

Jordan Surveys says the industry's order book has been. declining since last autumn.

Cartier LTD. OFFERS HIGHEST PRICES FOR JEWELLERY Antiques and modern Also antique silver Immediate peyment

Complete privacy ensured. write, phone or call Cartier LTD. 175 NEW BOND STREET ONDON WIY QOA

A 5 PER CENT fall in furniture Total sales were £1.1bn last

The decline has already led to some short-time working at Christie Tyler, the largest company in the industry.

In 1978 deliveries to the shops were up by 10 per cent and by per cent last year. The slump is in line with the retail sector's general problems. But furniture is traditionally

earliest hit in a recession. "Most companes are already reporting much more difficul trading conditions, with price increases becoming harder to obtain and costs continuing to rise, although the strength of sterling has at least helped to restrain pressures from higher raw material costs," says

*British furniture manufac-turers and wholesalers, published by Jordans Surveys, Brunswick Place, London, NI, EXPERIENCE, EXPERTISE AND TEAMWORK, WORLDWIDE

If you would like to know more about us please contact: Ted Page, Taylor Woodrow Construction Limited, Taywood House, 345 Ruislip Road, Southall, Middlesex UB1 2QX. Tel. 01-578 2366 Telex. 24428 Regional Companies: St Albans Road, Stafford, Staffs., \$T163DS, Tel. 07853251

Lingfield Way, Yarm Road, Darlington, Co. Durham, DL1 4PS, Tel. 0325 62794 Telex. 58688 5-6 Park Terrace, Glasgow, G3 68Y, Tel. 041-332 2621 Telex. 778496 Or. for Overseas: Don Venus, Taylor Woodrow International Limited, Western House Western Avenue, London, W5 1EU. Tel. 01-997 6641 Telex. 23503



BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

Callaghan condemns

Thatcher 'disaster'

MR. JAMES Callaghan. Labour's ment and encouraging industrial

Mr. Denis Healey, Labour's dangerous cash crisis since the

policies.

manufacturing output had and that is a tremendous derlined and inflation had achievement," she declared doubled. "No wonder reports Asked what she thought are coming from Labour Parties might have been her biggest

up and down the country of a mistake, Mrs. Thatcher said she

Mr. Callaghan said the better if public expenditure Government would have to had been cut faster and more

for a Labour Government com- got interest rates down faster.

Engineering output likely

THE OUTPUT of the mechanical engineering industry is against West Germany and 9 per likel yto fall between 10 and 20 cent compared with the U.S.

tion since 1968 has been 46 per which opens on Tuesday.

to fall 10% next year

shadow Chancellor, predicted war."
that she would have to "change "Bankruptcies are already

Solara saloon and to establish the Talhot name with the

The Solar should help Taibot huild its market share to 81 to 9 per cent this year, according to Mr. Filmer Paradise, assistant managing director. This compares with just under 7 per

The Solara, a front-wheel-drive saloon, goes on sale next Tuesday. It is aimed at the biggest segment of the new car market, accounting for about one-third or roughly 500,000 a year, which is dominated by the Ford Cortina. Other rivals include the Vauxhall Cavalier and BL Marina.

Mr. Paradise says he will be pleased if Solara captures a 21 per cent market share in its Some 6,000 Solaras are with Talbot's 650 dealers—" the first time we have had enough cars

for a proper launch." according to Mr. Paradise. The car will spearhead Tal-

BY PHILIP RAWSTORNE

course or be thrown out" next

winter as bankruptcies and un-

employment rose to record

undertaking to reduce taxation.

The trush is that the average

family is paying more in taxa-

Unemployment had risen,

change its policies or make way firmly.

the latest report published to-

The federation says the fore-

cast is gloomier than its 1980

predeition because of worsening

inflation and high interest

"Such a prospect must lead to a fall in productivity or employment in the industry,"

The mechanical engineering

industry is becoming less com-petitive compared with its main

and Japan, so inhibiting exports.

The report says the deteriora-

day by the Eng Employers Federation.

the report warns.

mitted to restoring full employ- she said.

tion and not less," he said.

TALBOT UK will spend £1.5m bot's attack on the fleet, or and 14 per cent of truck to £2m to introduce its new company, car market. This prob deliveries. "We don't believe ably accounts for seven of 10 manufacturers new car purchases in the UK.

Mr. Paradise suggests that fleet managers will have to re- in packages of four or five and think their purchasing policies soon. Their favourite car, the Cortina, will be replaced in 18 months to two years by a front-wheel-drive vehicle code-named

Talbot dealers have been somewhat taken aback by Mr. Paradise's tough approach since he joined the company last summer at the request of Mr. George Turnbull, the chairman. He is an old friend from the days when they both worked with British Motor Corporation.
"It is true they think the new management is rather tough, but they also believe it might succeed," Mr. Paradise said.

"We sust go step by step to rebuild this company and the dealers must come along with Talbot's 23 dealerships are up for sale, although they account

for 17 per cent of its car sales

People abroad realised that

Britain was "going places" both in its foreign and domestic

"It is good now to be British

thought it would have been

New look for

GUERNSEY'S Post Office, which

become independent of the British Post Office in 1969, is

changing the colour of its letter-

boxes from red to blue and in-

troducing a new logo incorporat-

retailing."

The outlets are being offered some deals are close to completion, according to Mr. Paradise. He wants to balance the preponderance of small, familyowned dealerships, which have the Talbot franchise, with more publicly-quoted companies with

bigger companies. Mr. Paradise says the British factroies will not just become assembly points for Frenchbuilt car kits. UK content of the solars is 65 per cent by value, compared with 60 per cent for the Alpine from which

larger capital bases. The out-lets are being occred to the

it is derived.
"The UK content should improve on our cars and, if we remain competitive, there is no reason why we should not open the way for Peugeot-Citroen in France to purchas more components from Britain.

Publishers'

face two

British Caledonian to offer £100 single. fare to Hong Kong

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

offer a cheap rate of £100 single to show that a twice-weekly between London and Hong service between Manchester and Kong when it starts flying the Lisbon would be a viable market-route on August 1—the cheapest ing proposition. are yet offered on the route. This will be part of a series of fares ranging up to £1,075 single first-class, slightly cheaper than existing first class

Other examples of the airline's proposed fares include a new economy class rate of £415 single, with no restrictions of

any kind, and an executive class single of £553 which matches the existing rate. The £100 single will be an eleventh hour stand-by" fare, available for those willing to turn up and take a chance on a seat at the last moment.

Mr. Alastair Pugh, managing director, said the fares reflected fuel price increases since last December, but such increases had been kept to a minimum. Results of a recent study by

BRITISH CALEDONIAN will TAP Air Portugal are expected

ing proposition.

The study's recommendations are expected to be implemented by April 1981. The service would connect with on-going flights to Faro and Air Portugal's long haul destina-tions in South America and South Africa.

British Airways shuttle has

set new passenger-carrying records on the Manchester-London Heathrow route in its first six months of operation. A total of 240,000 have flown 31 per cent on the same period a year earlier. British Airways said yesterday that 90 per cent of flights had left within, 15 minutes of scheduled departure

The sirline will make four flights weekly each way, using wide-bodied DC-10 Jets.

Scotch exports 4 per cent. down

BY GARETH GRIFFITHS SCOTCH WHISKY exports fell

by 4 per cent in quantity last year compared with the 1978 total although the value of exports rose 7 per cent from 5561m to 5707m.

The main fall occurred in the

U.S., the industry's most impor-

tant market. Whsky exports fell

by 8 per cent in quantity to 33,154,7164 proof gallons.

The value of exports also fell from £197,379,542 to £192,136,336, a fall of 1 per cent.

The main reason empeys to

The main reason appears to

bb that Scotch has not conquered

The Scotch Whisky Associa-

the younger drinking market.

tion, in its annual statistical report published last week, notes

some spectacular rises. Sales

to Anogla and North Korea both rose by 999 per cent over the year albeit from an extremely

The amount of Scotch whisky per year released from bond for

in the same period showed a slightly slower rate of growth

virtual monopoly of the home

market, face the possibility of

increased foreign competition.

The berewing industry has

said with pride, that imported

beers only have a 4 per cent

although their value trebeled.

small base.

Monopoly

market share.

THE PRINT and publishing industry faces two difficult

tough years

Mrs. Margaret Thatcher's first year as Prime Minister as "an outright disaster."

In the disaster of the most investment and expansion.

Healey, at Southport, said business this year would be plunged into "the most be plunged into" This forecast is made by Cambridge Econometrics in a report out today. Book publishing will be worst hit and newspapers least affected.

rising. They will break all bounds next winter. Small firms will suffer first and worst," Overall growth of the industry to the mid-1980s vels. 'he declared, "We will be back Mr. Callaghan, speaking at to the 30s with a vengeance." will be 3 per cent, although Carlisle. said neither Mrs. Mrs. Thatcher in a weekend Thatcher's style of Government BBC radio interview, confi-nor hor policies commanded dently claimed to have brought demand is expected to fall by 4.9 per cent this year and per cent in 1981, before increasing by 0.4 per cent in respect or confidence.

Her promises have been broken, especially the clear something in the world.

Cambridge Econometries blames the poor outlook on the strength of sterling in relation to domestic costs. It says import penetration is likely to increase and exports fall sharply in the next few

Medium-term prospects are better. Between 1983 and 1986 demand will grow at an average 3.1 per cent.

Productivity is expected to improve rapidly in the next metrics says employment will contract by 12.6 per cent, representing 67.000 workers. between 1980 and 1986.

Over the same period. average earnings will grow by 11 per cent a year and unit labour costs by an annual 5.5 per cent. But a "faster rate of wage

inflation, or slower produc-tivity growth would add substantially to the pressure on the industry resulting from overseas competition."

per cent in 1981 according to shrdl-shrdlushret shet shet she Guernsey post **Burnley factory**

ing the island's coat of arms in an effort to establish its separate identity more clearly. The new logs will be dis-played for the first time at the 1980 London Stamp Exhibition. Lucas now employs 2,600 in the trend of inflation will be up area, and this is expected to and that unemployment increase slowly.

The industry is convinced that costs of moving beer from abroad would be too high for foreign competitors.

Stockbrokers Panmure Gordon and Co., in their half-yearly review of the industry, discourt the claims over a guaranteed

market share.
The report rules ou the transport argument as a central defence and instead, it highlights long-term decline in the control of public huoses and clubs by the breweries.

Aggressive

During the 1970s lager boom the control exercised by brewers over dring retailing was sufficient to ensure that their new lager brands were strongly amr-keted through brewers' tied estates.

The rising share of drink retailing outlets now held by independent clubs, free houses and supermarkets, more concerned with aggressive pricing shome unse more than doubled and building up different in the 1970s. The 1970 figure sources of supply, radically of 9.565,000 proof gallons com- alters the industry's basic pares with last year's total of position.

the long-term to be more susceptible to foreign supplies and competition.

the long-term decline in the number of controlled public houses, the brewing companies have a virtual monopoly in obtaining licences for new public huoses on housing estates or on city centre redevolpments.

City's power waining Lucas to extend says Bank adviser

BY MICHAEL LAFFERTY

LUCAS AEROSPACE is to spend f4m developing its manufacturing facilities at Burnley, to meet record orders of about 5300m.

The company has bought an additional 100,000 sq ft factory in Burnley and late last year in Burnley.

trend of inflation will be upward remain at an unacceptably high

halted in that time.

Writing in the centenary issue of Accountancy, journal of the English Institute of Chartered Accountants, he says that the banking, insurance, investment and other financial services on which the City is based depend primarily on buoyancy of indus-

It would be a long time before "these policies" were seen to be so damaging that a furn-round in national attitude took place, "and it is realised that Government, management. unions and citizens themselves have a common purpose.

"The power and prestige of the City will therefore decline, saved in part only by a fortuitous increase in our revenue from oil."

Sir Henry's pessimism does not include his own profession to accountancy. He forecasts that self-regulation will keep the British among the leaders in the professions nationally and iternationally.

Integration of the various professional accounting bodies will be inevitable" before the decade is out.

His views on self-regulation are sharply at variance with those of Mr. Tom Watts, chairman of the profession's Accounting Standards Committee.

Mr. Watts' predictions are particularly interesting since he has been actively engaged for the year year in an effort to develop a self-regulatory supervisory body capable of enforcing accounting standards on quoted companies.

It now appears that some form of body modelled on the City's Take-over Panel, and involving representatives of the accountancy profession and the Stock Exchange, among others, will be proposed later this year.

HEREFORD PLANT POINTS TO NEW APPROACH

Heat-plus-power switch

BY LORNE BARLING

guarantees on both sides-more

important, the deal means that the Midlands Electricity Board

is bearing the capital cost of

Although one other station of

Fort Dunlop, in Birmingham,

such projects, creating a new form of private involvement in

a state industry which will no

doubt be encouraged by the

Until recently, the Govern-

now with Mr. David Howell,

Energy Secretary, who opened

the Hereford station last week. He said that despite the report's

emphasis on waste heat's use

for district heating, there was

industrial schemes.

News International pays

MR. RUPERT MURDOCH'S appointed News International's

The Sun and News of the chief executive in 1977. He was World, has paid £91,500 com- a former advertisement director

£91,500 to ex-director

Government.

BRITAIN'S cautions approach to combined heat and power (CHP) stations, often criticised by the environmental lobby, may undergo a fundamental change following the successful installation of a plant at Hereford.

The conservative attitude of the electricity supply industry was summed up last week, at the opening of the £5m plant by Mr. Geoffrey Shepherd, chair-man of the Midlands Electricity Board. He said: "In the past, a

degree of over-statement of the potential benefits of CHP may have tended to discredit some of the real arguments in its favour. The Hereford scheme has overcome the traditional drawbacks of CHP schemes as a result of a radical reappraisal of the basic principles."

Although no one is expecting

a proliferation of small diesel engine stations using cheap residual oil, such as that at Hereford, it is clear that where the right conditions can be found for industrial use of heat,

they can be highly efficient.

The key to that efficiency at
Hereford is two companies. Sun Valley Poultry, and HP Bulmer. cider makers, which require large volumes of heat in the form of steam for their nearby manufacturing plants. Out of about 20 possible sites for the station, Hereford offers optimum

In effect, the station was tailored to the heat requirements of the two companies with the base loa dprovided by engine exhaust gases and peak or standby requirements by within - local planning con-standard industrial boilers straints—he said anything integrated into the system. which offered significant energy

BY ARNOLD KRANSDORFF

News International, publisher of

Heat is sold to Bulmer and savings would be given careful Sun Valley on a simple com-mercial basis — with long-term ment.

Under optimum conditions cheaply than they could the advantages of CHP systems, generate it themselves. More are now worthwhile. The are now worthwhile. The capital cost of the Hereford project per kilowatt of electricity produced and ignoring heat, compares favourably with that new heating capacity which the compare companies would otherwise of a lar have had to provide in the long station. of a large conventional power

The thermal efficiency of the station powered by two 10,400 hp Crossley-Pielstick diesel this kind is under consideration, hp a considerably larger one at eng engines is nearly 80 per cent or about two and a half times that of a modern conventional station. The fuel used is a tar-like residue from petro-

the board is unwilling to bear these large capital costs for a series of such power stations. It is, therefore, likely that participating companies will be invited to invest directly in chemical processes. Aside from saving the import of around 15.500 tonnes of foreign oil a year, at a cost of £1.5m, the plant generates electricity where it is needed avoiding the 8 to 10 per cent transmission and distribution losses normally experienced.

Environmental benefits in Hereford are also significant, since the fuel will be delivered ment's attitude has been hardly encouraging. Under the Elec-tricity Act of 1947 area boards have been obliged to actively seek sites where waste heat could be sold, and yet the by rail (in specially heated tankers, to prevent the oil from solidifying) avoiding the use of Herefrod is the first of its kind.

A report by Dr. Walter
Marshall, and his CHP Group is

heavy road tankers.

The two companies involved will now be able to remove their existing heating plants. providing additional space, and also benefit from the disap-perance of those tankers from their busy yards. Future expansion can now be achieved without expenditure on addi-

as much scope for worthwhile tional heat supplies. However, it is clear that des-Although such schemes had nowever, it that the first the pite the advantages, CHP still has severe limitations most notably the need for factories to be very near to the power to be treated on merit-and source. They must also have a very substantial heat requirement with a high annual load

These ideal conditions are likely to exist in relatively few cases, although company participation in the capital cost of such schemes could lead to the siting of factories in close proximity to the new stations. As energy costs become a major concern of industry, com-panies are becoming more wil-

696.5 + 9.7%

World, has paid £91,500 composition a former advertisement director ling to consider radical answers pensation to a former director of the News of the World. Mr. Hardy has been succeeded disclosed in the group's report by Mr. G. P. Welsh as managing now encouraging them in that direction. and accounts for 1979. director. The director is not identified but the only Board member to resign during the year was Mr. H. C. Hardy, the group's chief executive and managing

managing director in 1976 and chief executive in 1977. He was

Inventions win prizes of £40,000

Mr. Hardy, who is 50, was

AN ELECTRONIC car-lock and a new type of tropical fish tank a total of £40,000 and free factory space as prizes in a new enterprise competition organised by Liverpool Development

The development agency, a Liverpool City Council body, launched the enterprise competition in conjunction with Merseyside Chamber of Com-merce to find the innovation. oinvention or process most capable of being used in the Liverpool area.

A main consideration was potential for creating employment.

The two winning entries, expected to start operating soon, will create an estimated 28 jobs immediately, with a forecast of 65 in three years. There were 310 entries. The

winners were Mr.-John Baker, an electronics engineer from Wimbledon, who plans to manufacture his electronic Kingfisher car lock, digitally-controlled, for which he won £25,000; and Mr. Michael James, 35, of Liverpool, whose fish tank dispenses with pumps and filters. He won £15,000. Mr. David Mowatt, a development agency official, said: "The city council is interested not

only in the winners but also in the 308 other entrants, whom we are now approaching to offer them facilities in the city. "The competition gave us the opportunity to promote Liverpool as a centre for new industry and to bring jobs to the area.

CONSOLIDATED RESULTS (in million Francs)

1978 Variation 1.960.0 + 87% 2.130.0 147.0 +21.7% Trading profits 178.5 Net results (including minority 69.1 +30.4% 90.1 interests) After amortizations amounting to Net assets including the year's benefit, 120.7 + 8.0% 130.4 before distribution, after deduction of preliminary establishment expenses and held-over charges, amounted to

This year significant changes have been introduced in the establishment of our consolidated turnover

They can be summarized as follows:

Of which minorities ...

The extra-accounting process which last year enabled a transfer from consolidated results to economical results has been incor-porated in the financial statements.

The Group's fiscal charge has been processed in accordance with international accounting regulations. In particular the latent fiscal situation has been accounted for.

To allow a comparison, the 1978 fiscal year has been handled again according to the same methods.

SALES FOR THE FIRST QUARTER OF 1980 (in thousand francs)

A. NON-CONSOLIDATED During the first quarter of 1980, pre-tax sales amounted

for the first quarter of 1978 the previous year.

B. CONSOLIDATED For the first quarter of 1980, turnover totalled 551,164 for the first quarter of 1978

An increase of

Stanley stamps.

If you have a fine collection of classic stamps or individual rare items which you would like to sell, we would be most interested to talk to you.

Get in touch with our Rare Stamp Department at the address below, or call at our Stand E6/7 at the London 1980 Exhibition, Earls Court, 6th-14th May.



391 Strand, London WC2R OLX Tel: 01-836 8444 Telex: 28883

This advertisement complies with the requirements of the Council of The Stock Exchange. It does not constitute an offer of or invitation to subscribe for or purchase any securities.

\$40,000,000

AB Svensk Exportkredit

(Swedish Export Credit Corporation) 121/2% Notes Due 1985

The following have agreed to subscribe for the Notes:

MORGAN STANLEY INTERNATIONAL

SKANDINAVISKA ENSKILDA BANKEN PKBANKEN SVENSKA HANDELSBANKEN GOLDMAN SACHS INTERNATIONAL CORP. KUWAIT INVESTMENT COMPANY (S.A.K.) S.G. WARBURG & CO. LTD.

The notes, in the denomination of US\$10,000 each, with an issue price of 991/2 per cent, have been admitted to the Official List by the Council of The Stock Exchange, subject to the issue of the temporary Note. Interest is payable annually in arrears on 1st May, commencing on 1st May, 1981.

Particulars of the Notes are available in the Extel Statistical Service and may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 19th May, 1980, from the broker to the issue:-

> Rowe & Pitman, City-Gate House, 39-45 Finsbury Square, London EC2A 11A.

6th May, 1980.

PROACH

'itch

ISTHISTHE HELP INDUSTRY CAN EXPECT FROM GOVERNMENT THIS YEAR?

For once, industry will be left very much alone this year.

There'll be no government interference, no government handouts.

And industry would probably agree that they prefer it that way.

But it's also going to be a year in which industry will have to find solutions to its own financial and labour problems.

In case it feels a little isolated in its newfound freedom, Colt would like to intervene with a helping hand.

Have you considered the effect better working conditions can have on your productivity and labour relations? And, in particular, better ventilation?

Colt strongly believe that better ventilation can help British industry produce more (and save a great deal of money into the bargain).

Research tells us that a man or woman works best at a temperature of around 65 degrees F. 20 degrees over that, and they'll be 20% less productive.

At 90 degrees F, they'll also be 50% more likely to have a serious accident.

Too much heat, moisture, hazardous fumes and gases cause irritation, lack of concentration, aggression, and are a major cause of absenteeism.

Colt systems create happier, safer, more productive working conditions whilst cutting back dramatically on your energy costs and heating bills.

We can show you how to cleanse contaminated air and recirculate the warmth without expensively replacing it.

We can cool one worker rather than the whole

factory and remove hazardous fumes from his immediate working environment.

And install special low-loss ventilators to minimise heat loss in winter. (The same system doubles to give your premises fire protection all year round.)

We can also replace inefficient heating systems with the best in turbo-static design: oil, gas, radiant, or instant change-over dual fuel, optimiser-controlled to minimise operating costs, of course.

If you'd like us to carry out a full, free survey of your premises, call us right away.

We'll then give you a detailed report, and quotation, full after-sales service and comprehensive ten year guarantee.

We can even advise on financing a system—whether by leasing or other methods.

All in all, if you can't expect government help this year, you can certainly expect, and get, help from Colt.

Colt International Ltd., (Health and Safety at Work), Havant, Hants PO9 2LY. Tel: (0705) 451111. Telex: 86219.



hons Li

COLD STORAGE HOLDINGS LIMITED

(Incorporated in the United Kingdom)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Empire Dock, Singapore 0409, at moon on 31st May, 1980 when the Directors will recommend for approval a Final Dividend of six Singapore cents per 10p stock until less income tax in respect of the Financial Year ended 31st January, 1980 payable on 2nd June, 1980 to Stockholders on the Registers as at that date, making a total distribution for the year of \$7,122,000 (previous year \$7,122,000).

NOTICE IS ALSO GIVEN that the Transfer Registers of the Company will be closed from 24th May to 2nd June, 1980, both dates inclusive, for the preparation of dividend warrants.

The audited results of the Company and of the Group for the

year ended 31st January, 1980 v	vere:—			
	36	980	19	79
	Group \$7000	Company	Group (\$,000 Subsub
Turnover	218,221		195,700	
Profit before taxation	21,336 7,123		18,183 8,436	17,819 6,996
Profit after taxation	14,213 515		9,747 515	10,823
Extraordinary Items	13,698 19,190		9,232 101	10,823
Profit attributable to Stock- holders of Cold Storage Holdings Ltd	32,888	10,694	9,333	10,801
After charging:— Depreciation of Fixed Assets	5,989		5,958	_
		By O	rder of t D. Raj,	the Board Secretary.

Singapore,

23rd April, 1980.

Letters to the Editor

suggested that the index-linked bonds should only be sold to One course registered insurance companies and pension funds for the benefit of funds and pension From Mr. A. Page.
Sir,—If the TUC "day of arrangement that aim to provide index-linked pensions and action" goes ahead on May 14 satisfy the Registrar that the that day will go down in history as the day the TUC stuck a stock is being used for that

of action

severe to the unions.

A. W. Page, 32 Greenacres

Shoreham-by-Sea, West Sussex.

return

money return.

A modest real

From Mr. G. Kramers
Sir.—In the Lombard column
of April 30, Anthony Harris
reminds us that an indexed
bond, paying a modest real
return, is attractive in compari-

son with a fixed interest stock

paying a high but depreciating

The snag, he writes, is that

the Organisation of Petroleum

Exporting Countries would like

an indexed price for its oil and

would find the world's only

bond

irresistibly

dagger in the back of our demo-The amount of money that cratic country . . . not—repeat not—in the back of the elected the institutions and pension funds are seeking to invest is Government as it so glibly growing year by year partly due to inflation. This presents us All should remember this Governmnet was elected freely on a with a problem that should be wide mandate of reforms from -faced. which it has not deviated one

As the institutions want a "real" return on their money they stay out of the market and iota, except maybe to be less force up interest rates. They also force up property values and rents by competing with each other and the more equity shares they own the more likely they are to be a presented by People who stay away from work by reason of pressure from a union and not because of being in dispute with manage-ment should be reminded that he or she will be breaking their "contract of employment" with they are to be nationalised by their employer and thus giving up their job voluntarily.

some future government. To introduce an index-linked stock would help to bring interest rates down, it would also help the pension funds to meet their obligations in the

G. H. Kramers. Partingdale Lodge, Partingdale Lane, Mill Hill, NW7.

Objections to indexation

From Mr. A. Sherman

Sir.—From time to time, con-tributors to the Financial Times launch sallies against me and my ideas in one field or another. Anthony Harris, writing as Lombard (April 30) is the latest to do so. Unfortunately, readers wil lhave been given a misleading picture insofar as they rely Exporting Countries money Croydon.

on tangential references in the flooding

Financial Times.
I cannot deal with my objections to indextation in a letter. a Suffice to say that they are not based on Israel's disastrous experience, but on economic logic existing government debt with which Mr. Harris seems reluc- an average coupon of 13 per tant to grapple with. I cited Israel only because advocates of index-linking are prone to cite Brazil's experience in favour of the expedient, though when challenged they admit to know-ing nothing about that country's recent economic history, but simply "heard" that indexation had helped there. By contrast. Israel's experience of indexation and the swing of economic opinion there against it is amply documented and available in english. I should be happy to explain the basic fallacies of the index-linking panacea without reference to experience else-

Alfred Sherman, 10, Gerald Road, SW1.

Successful bonds

From Mr. D. Liss

Sir,—Last Monday, at an open forum in hte City, Sir Geoffrey Howe was suitably non-committal in his reply when asked whether he realised that some people doubt the sincerity of the attack on inflation while the government borrows at 14 per

cent for 28 years. Anthony Harris (April 30) makes, I think, a related point when he speaks of the Bank realising that a coupon of 14 per cent or so for 20 years could prove quite expensive in real terms. There need be no fears Alan F. Donovan, of Organisation of Petroleum 31 Stanhope Road,

into government debt if the intending purchaser is made to submit nationality or residence

declaration. In simplistic terms, £10bn of existing government debt with cent replaced by index-linked bonds with a coupon of 3 per cent, with a maximum life of 10 years, would reduce public sector borrowing requirements by £1bn annually. More realistically, an initial £1bn con version offer on such terms would surely be taken up, to judge by the succes of granny 28 Airedale Avenue, Chiswick, W4.

Tough times on £10,000 a year

Sir.—Mr. Brown (May 1) draws attention to the plight of the £10,000-a-year executive with a significant mortgage.

The problems he faces while

serious are not quite so gloomy as Mr. Brown suggests. Tax relief should reduce his outgoing on mortgage interest by going on mertgage interest by some 30 per cent. The tax free capital gain on that part of the house value which could be attributed to the original loan would probably exceed by a large margin the net interest on the loan and the gearing effect of the loan would lead to a greater benefit on this account. greater benefit on this account. Although this latter point does not help the man's current cash flow problems it should reduce his need to put something by for his old age

TENDERS MUST BE LODGED NOT LATER THAN 10.00 A.M. ON THURSDAY, STH MAY 1980 AT THE BANK OF ENGLAND, NEW ISSUES, WATLING STREET, LONDON, ECAM SAA OR NOT LATER THAN 3.30 P.M. ON WEDNESDAY, 7TH MAY 1980 AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND OR AT THE GLASGOW AGENCY OF THE BANK OF ENGLAND TENDERS MUST BE IN SEALED ENVELOPES MARKED "EXCHEQUER TENDER."

ISSUE BY TENDER OF £1,000,000,000

13½ per cent EXCHEQUER STOCK,

MINIMUM TENDER PRICE £96.00 PER CENT

PAYABLE AS FOLLOWS:

On Friday, 13th June 1980 On Friday, 11th July 1980

INTEREST PAYABLE HALF-YEARLY ON 22ND MARCH AND 22ND SEPTEMBER.

This Stock is an investment felling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of Trustee Investments Act 1961. Application has been made to the Council of Trustee Investments Act 1961. Application has been made to the Council of Trustee Investments Act 1961. Application has been made to the Council of Trustee Investments Act 1961. Application has been made to the Council of the Stock will be receive tenders for the above Stock will be a charge on the National The principal of and interest on the Stock will be a charge on the National Loans Fund, will be regalded at the Bank of England or at the Bank of The Stock will be registered at the Bank of England or at the Bank of Interest will be registered at the Bank of England or at the Bank of Interest will be payable half-yearly on 22nd March and 22nd Soptember. Interest will be payable half-yearly on 22nd March and 22nd Soptember interest warrants will be transmitted by post. The tirst payment will be made interest warrants will be transmitted by post. The tirst payment will be made interest warrants will be transmitted by post. The tirst payment will be made interest warrants will be transmitted by post. The tirst payment will be made to 22nd September 1980 at the rate of £3.5168 per £100 of the Stack. On 22nd September 1980 at the rate of £3.5168 per £100 of the Stack. On 22nd September 1980 at the rate of £3.5168 per £100 of the Stack. On 22nd September 1980 at the rate of £3.5168 per £100 of the Stack. On 22nd September 1980 at the rate of £3.5168 per £100 of the Stack. On 22nd September 1980 at the rate of £3.5168 per £100 of the Stack. On 22nd September 1980 at the rate of £3.5168 per £100 of the Stack. On 22nd September 1980 at the rate of £3.5168 per £100 of the Stack. On England, New Issues, Walling Street, London, £4.548 per £100 of the Stack at the Bank of England, New Issues, Walling Street, London, £4.548 per £100 of

of Stock tendered for £100-£2,000 £2,000-£5,000 £5,000-£20,000 £20,000-£100,000 £100 £500

Bank of England of the detailed case to payment of his cheque. Stock so notification will confer no right on the tenderer to transfar the Stock so notification will confer no right on the tenderer to transfar the Stock so notification will be made for a less amount than £100 Stock. In the deant of No allotment will be made for a less amount paid as deposit will, when refunded, partial allotment, the balance of the amount paid as deposit will, when refunded, partial allotment, the balance of the amount paid as deposit will, when refunded, partial allotment is made the amount paid as deposit will be returned likewaso. Payment allotment is made the amount paid as deposit will be returned likewaso. Payment allotment is made the amount paid as deposit will be returned likewaso. Payment allotment is made at any time alter allotment but no discount will be allowed in full may be made at any time alter allotment to discount will be allowed in full may be made at any time alter and aday-to-day basis may be charged on of England's Mmimum Lending Rate on a day-to-day basis may be charged on of England's Mmimum Lending Rate on a day-to-day basis may be charged on of England's amount in respect of the Stock will render the allotment of such Stock liable to amount in respect of the Stock will render the allotment of such Stock liable to cancellation and any amount previously paid liable to forfatture.

Letters of allotment may be split into donominations of multiples of 100 on Letters of allotment must be surrendered for registration, accompanied by a accompanied by the lotters of plotment (but a letter cannot be split of any instalment payment is overdue).

Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the balance of the purchase maney is paid, unless payment in full has been made before the due date, in which case they must be surrendered for registration not later than 11th July 1960 must be surrendered for registration not later than 11th July 1960 must be s

THIS FORM MAY BE USED TENDER FORM

For use by Benker or Stockbroker claiming commission-

ed not later than 10.00 a.m. on Thursday, 8th May 1980 New Issues, Watling Street, London ECSM SAA or not Wednesday, 7th May 1980 at any of the Branches of the the Glasgow Agency of the Bank of England, Tenders

ISSUE BY TENDER OF £1,000,000,000

13½ per cent Exchequer Stock, 1992 MINIMUM TENDER PRICE £96.00 PER GENT

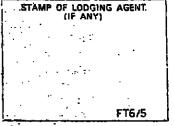
Amount of ab

AMOUNT OF STOCK £100 £500 £5,000-£29,000 £1,000 TENDER PRICE (a)

AMOUNT OF DEPOSIT (6)

SIGNATURE

FULL POSTAL ADDRESS:- POST-TOWN COUNTY POSTCODE	MR/MRS MISS	FORENAME(S) IN FU	Щ.	Surname	
					·
				•	
		POST-TOWN	COUNTY		

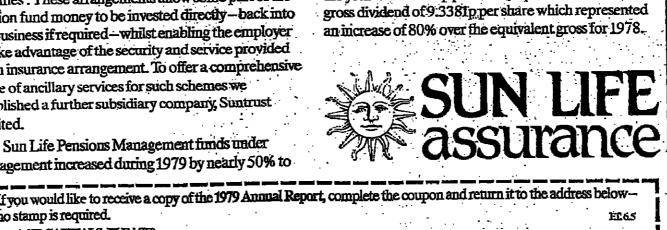


ASBESTOS PROBI

For management seeking advice on asbestos problems. Initial surveys and reports undertaken discreetly and

Highly disciplined site operations, planned in detail for minimum disturbance and using the most advanced asbestos removal or encapsulation techniques. Problems with asbestos or other toxic substances Talk

to John Belcher, Managing Director, Environer Ltd., Langton House, Bird St, Lichfield, Staffs, WSL: 6PY Tel: Lichfield 52005. Teles: 306552 envirocor @



184.9 **Premium Income** 1,146.6 1,007.5 Total Funds (Market values) 81.0 Payments to policyholders 93.2 9.34p 5.19p Dividends per 5p share (gross) Total Funds over 10 years 1,007.5 £m 895.3 454.6 1970 1971 1972 1973 1974 1975 1976 1977 1978 1979

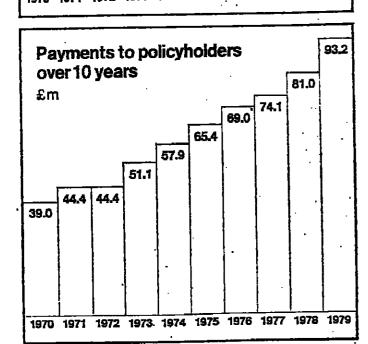
SUMMARY OF RESULTS

1978

£m

163.4

1979



ntinuous our aim, and our

Extracts from the statement by the Chairman, Mr. P.G. Walker

Our aim was for continuous growth, and this we have achieved with a further advance in 1979. Jotal new premiums for the Group were £65.0m, including an encouraging increase in new annual premiums. This is of importance because such business, unlike that secured by single premiums, provides a continuing flow of premium income in future years.

The ordinary life market during 1979 was dominated by business connected with home-buying. In addition to the endowment and mortgage protection business associated with loans from building societies, we were able to generate considerable business by making funds available through our top-up mortgage

The valuation basis has been strengthened and bonuses for all our major classes of with-profit life assurance and pensions business have been yet again increased to new record levels.

A significant development during the year was the rise to prominence of "Small Self-Administered Schemes? These arrangements allow some part of the pension fund money to be invested directly-back into the business if required—whilst enabling the employer to take advantage of the security and service provided by an insurance arrangement. To offer a comprehensive range of ancillary services for such schemes we established a further subsidiary company, Suntrust Limited.

management increased during 1979 by nearly 50% to

£89.6m making ours the sixth largest managed fund amonest those operated by life offices in the United Kingdom. Two new specialist funds a Stock Exchange Securities Fund and a Property Fund-were introduced towards the end of the year.

Our sponsorship programme continued, with further involvement in squash and badminton. I congratulate the Sun Life Stanshawe Band, a Bristol-based brass band, on their victory in the BBC Television "Best of Brass" series last summer.

Our advertising campaign has attracted much comment, and our broker friends have been able to capitalise on the friendly approachable image projected by the Man-in-the-Sun and the Man-in-the-Moon. Many people throughout the United Kingdom have become familiar with these characters.

Dividend restraint was removed as from 1st August and the Directors were, therefore, able to declare a substantially increased dividend of 4.6250p per share for the second half-year. The total dividend for the year was 6.5367 per share, equivalent to a total

no stamp is required. (BLOCK CAPITALS, PLEASE)		er Territoria de	E
Name	-		
Address			:

Equer sin Employers condemn day of action

BY CHRISTIAN TYLER, LABOUR EDITOR

roup prepared to test the egality of the TUC action.

The CBI urged companies to tay open, to encourage their imployees to turn up for work, ind to "counter any impression hat there might be widespread

irged the TUC to rescind its. vall to trade unionists to stop work for part or all of the day n protest at the Government's -conomic and labour relations

Express Newspapers will this morning seek an injunction against five trade union officials, designed to ensure that the

MPLOYERS yesterday consemned the TUC's day of action

Standard appear on May 14.

Standard appear on May 14.

Daily Express and the Evening General when some years ago wasteful and irrelevant "day of he refused to sanction a private folloy."

"After all the havor by the

other national newspapers, is likely to be stopped following a direction to its members from the Society of Graphical and of the Yorkshrie miners, said at Allied Trades, and stoppages by other print workers. The Attorney-General is ex-

pected to reply this week to a The National Chamber of he bring proceedings against frade, at its annual conference, Mr. Len Murray, TUC general secretary, and members of the TUC general council, for "inciting" workers to breach contracts with their employers.

similar one directed at the Civil Service Minister, was tabled last ment," he caid.
week by Mr. Michael Grylls, MP. Sir John Hedley Greenlt raises many of the issues borough, president of the CBL, faced by Labour's Attorneycalled the day of action a

Mr. Arthur Scargill ,president a rally in Sunderland that if workers did not participate it would be regarded "as a vote Thatcher and the Tory admini-

stration. Leadership had bee ngiven for the first tim esince 1926, he ment should mobilise to create the conditions to force an early. general election and the reelection of a Labour Govern-

"After all the havoc by the road haulage srtike, the engineering strike and the steel strike, do we have to have yet another day of chaos-this time a political strike which carries no legal immunity—to prove that we lead the world in the art of cuttin gour own throats?"

Public transport and nonemergency public services are likely to be withdrawn nevt Wednesday in many cities and towns, where marches and rallies are being organised by regional councils of the TUC.

A teachers' union has asked ducation authorities to close the schools because essential srevices will not be carried out

New motor insurance scheme

BY OUR INSURANCE CORRESPONDENT

THE commercial vehicle opera- service he can arrange. tor-whether he is running a or just a few company carsthe motor insurance front many an operator arranges for a substantial accidental damage of vehicles: occasionally events excess or opts for third party only cover, reckoning that he can fund his own annual vehicle damage bill, in part or in whole, more economically than he can

buy full damage insurance. The greater the degree of self-funding the more the vehicle operator needs a quasi lawyer, or a claims expert, to ensure that due compensation is obtained where others are responsible. In the past, many insurance brokers provided this kind of recovery service, often without charge, at least up to the point at which legal process was required; but few brokers feel they can afford to provide their clients with this kind of

Let me get thus straight, said David.

me against more life insurance?"

You're my adviser. And you're actually advising

uninsured losses—he needs wide protection to cover the many legal problems that can arise out of his ownership and use will occur that must put the organisation's funds at risk. The Bristol-based DAS Legal

Expenses Insurance has just unveiled its new Motor Legal Protection Policy - a contract comprising five optional sections which can be taken singly or in combination. In its five years of selling legal expenses insurance DAS has of course sold vehicle policies. The new contract replaces these and offers increased

loss recovery. It provides the legal costs of getting in unrepair costs, hire charges, com-pensation for loss of use.

The first section is for accident

The second section, Contract

But the vehicle operator needs the sale, purchase, hire, test or negligent third parties for comfleet of heavy haulage vehicles not only a recovery service for repair of vehicles, or out of the carriage of goods or passengers

The prosecution defence sec-

هكدامن الأجل

tion enables the operator to arrange legal defence to a wide including those suspension or loss of licence, and if need be to appeal against conviction or sentence. A parallel, fourth section, prosecution defence cover for emsimilar character and extent for

real overlap with the cover provided by traditional motor policies. Motor insurers provide limited cover for the defence of accidents which may give rise to legal liability claims.

from his employer.

luxury on the motor commis-sions they earn. Now the disputes cover, provides protec-operator must pay for whatever tion against cost of pursuing or makes funds available for the and the geographical limits. The fifth section, personal

defending claims arising out of pursuit of claims against pensation for injury and loss of or damage to effects sustained

in a vehicle accident. solicitors and counsel, the fees and expenses of experts and witnesses and-if the proceedare unsuccessful—

Because DAS is partly owner Europe's largest legal expenses insurer, German-based the driver invilved, as distinct Deutscher Automobil Schutz. it can provide cross-Channel cover, Only in these procesution and can have legal disputes defence sections is there any handled throughout Europe and some Middle East countries. Where overseas cover is provided funds can be made available to meet bail demands for the release of drivers and vehicles.

> Premium of course depends on the sections bought, on the number and type of vehicles insured,

Phoenix pay offer rejected

PHOENIX ASSURANCE has made its clerical and technical staff a pay offer of 15 per cent. together with a further 3 per cent from December this year

'on account" for the 1981 deal. The company has told the Banking, Insurance and Finance cludes improved fringe benefits and a reduced working week for some staff, is the best it

The union, which is seeking rises of 21.6 to 29 per cent as well as indexation, has told Phoenix that the offer is unacceptable and that it will consider alternative ways pursuing the claim.

The management said the offer, which covers about 3,500 staff, was in addition to 5 per cent paid "on account" last December although this is dis-

puted by the mion. TALBOT TALKS: Officials of the Transport and General Workers Union, shop stewards and amnagement meet at the Talbot car plant in Linwood, Scotland, today in a bid to settle a dispute which has stopped production.

The dispute is over a manage ment decision to cut the metal finishing section of the assembly line by four men, from 26 to 22 The union would accept a cut

TUC 'should deal with rogue unions'

THE TUC should have the power to discipline "rougue elephant" unions, a trade union leader said yesterday.

Mr. Walter Johnson, MP, president of the while-collar Transport Salaried Staffs Association, told his union's annual conference in Torquay that the trade union movement should put its own house in order in another Labour Government was to be elected.

He said there was no doubt at the time of the last general election that the vast majority of British people felt that the unions had too much power and were running the country.

This was one issue that came through on the doorstep at the general election time and time again, stoked up by the media."

Inflation

He said that the trade union movement had not helped itself in recent times with unofficial action sometimes causing considerable inconvenience to the public.

"In some sections of the community at the drop of a hat, people walk out without taking into account the con-

sequences of their action.
"Even in our own industry unofficial action by a small group of workers can cause untold misery to many thousands of their fellow workers trying to get to and from their place of work.

"These actions bring the trade union movement into disrepute. Although they may blamed for not being able to control its members.

"The TUC should have the power to discipline unions who are rogue elephants, who take action that discredits the whole of the trade union

Understanding

This has got to be done if we in the trade union movement are going to win back the confidence, the respect, and the understanding of the mass of the people of this country."

Labour Government could not be elected unless it had the full support and backing of the trade union movement because they were so closely associated.

'I consider it absolutely vital that in the next two or three years the trade union movement puts its own house

And instead of trade unions being a liability on polling day at the next general election they will greatly add to Labour's chance of being returned to power," he said.

More scope for private enterprise

GREATER OPPORTUNITIES for private enterprise will arise once the Government has passed its new Transport Bill.

Mr. Norman Fowler, the Transport Minister, said yester-day. "Newcomers will be freeto challenge the poor services currently offered by long-standing companies in certain

The Government also intends sweeping away much red tape surrounding bus and coach services." Licensing restrictions on inter-city coach services are to disappear. This will give more companies the chance to compete with existing operators He added: "There is a realchance for the development of a network on the lines of the

Greyhound coaches in America.' The Government also proposes to make it easier for commuters to run their own bus services. Mr. Fowler said: When we change the law workers and employers will be able to enter into contracts or services which will not need a

Private enterprise will have more control of motorway services, when the Government stops its involvement in service

Heavy goods vehicle testing will be carried out privately instead of by the Government. Mr. Fowler said.

Put like that of course, one had to laugh. We were talking about arranging for future income in the most tax efficient way.

With his own business doing well, David could easily invest £100 a month.

And he had automatically assumed that an endowment policy of some kind was what I would suggest. Instead, I told him he could do better.

His insurance needs were amply covered. I'd seen to that, The right thing now was to concentrate on high yielding intestment.

The plan with the best combination of advantages and options for someone in your tax bracket." I told him, is called The Sentinel Tax Free Income Builder."

It will give you all kinds of advantages during the first ren years. It will allow you to double and replace your investment without evidence of health. And best of all, it will allow you to build up a sizeable chunk of capital from which you can strip out tax free income after ten years."

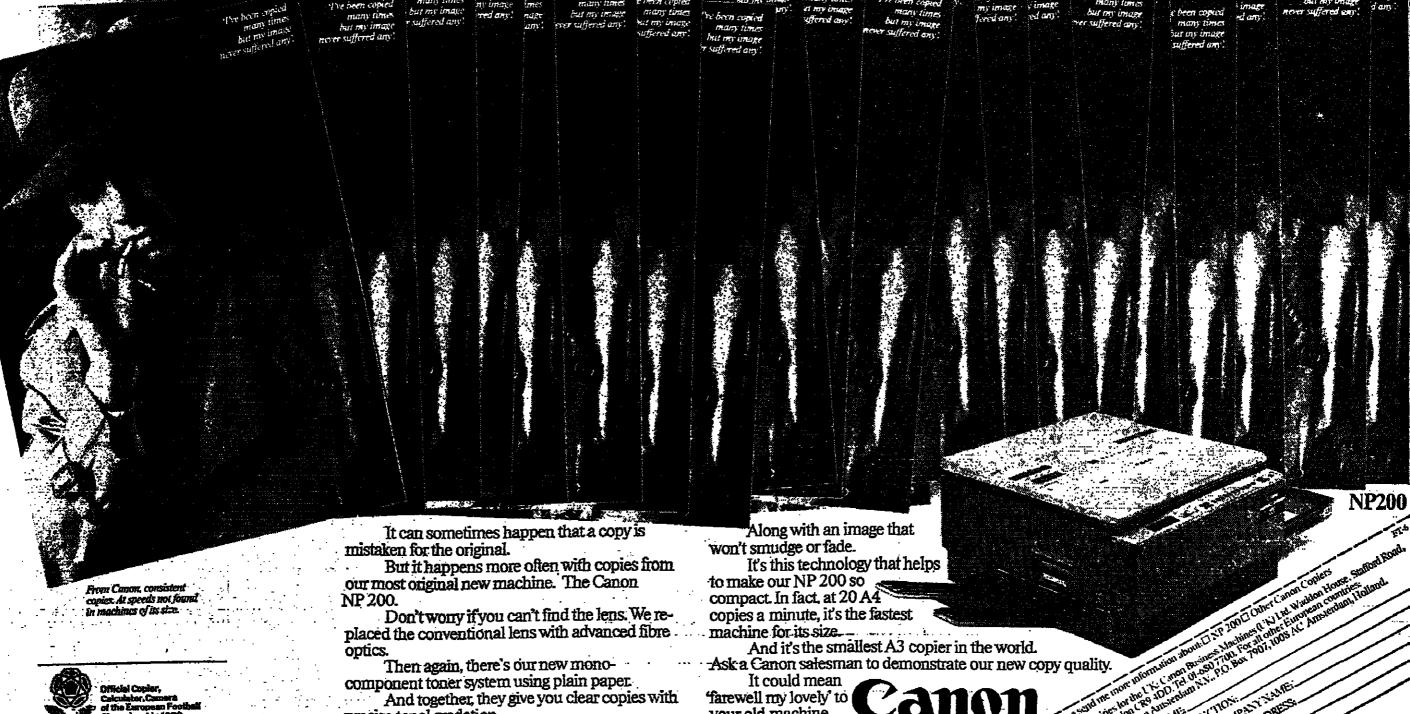
"I see," said David thoughtfully. "They sound as if they understand me; those Sentinel people."



The one to watch in the 1980s

18 Breams Buildings, Fetter Lane, London Frank Telephone: 01-242 6552

l've been copied many times but my image never suffered any.



precise tonal gradation.

your old machine.

Senior post at

Christie—Tyler

CHRISTIE-TYLER. He has been with Gallaher for the past 17 years and is currently chairman of its Dutch group, Theodorus of other business commitments. Two new directors have also fears with the succeeds Mr. He succeeds Mr. He succeeds Mr. Two new directors have also fears withings who is at the succeeds Mr.

be president an dehief executive.

Two new directors have also been appointed: Mr. J. Nell Clarke and Mr. Vernon Van Sant. Jr. Mr. Clarke is managing director and chief executive of Charter Consolidated. Mr. Van Sant is chairman and chief executive of Hudson Bay Mining's petroleum subsidiary, Francana Oil and Gas, Calgary.

Mr. Tom Dawson has joined

the BOWATER CORPORATION

the BOWATER CORPORTION
to lead and co-ordinate their
building product manufacturing
and merchanting interests. He
has become chairman of F. Hills
and Sons. Rippers. Crossley
Manufacturing (Bricks) and
Transport Companies and Flexpipe, reporting to Dr. Boh
Humphreys.

The Queen has approved the appointment of Sir Francia Sandilands as a member of the

ROYAL FINE ART COMMIS-SION. He fills the Commissioner vacancy caused by the appoint

ment of Sir Derman Christopherson as chairman of the Commis sion. Sir Francis is chairman of Commercial Union Assurance. He is a director of the Royal Opera House and a trustee of the

Mr. R. C. Murray has joined the Board of P-E International as a non-executive director.

Mrs. E. J. Loving has been appointed a director of NEW CENTURY VENTURES (INTERNATIONAL) and NEW CENTURY VENTURES (REINSURANCE BROKERS).

Mr. Michael Kilbey has been appointed managing director of the TURNKEY GROUP OF COM-

PANIES in place of Mr. Derek Goldsmith, who remains chair-

Mr. John Tucker has been pointed vice-president New appointed vice-president New York of KORS MARLAR AND

ASSOCIATES, the U.S. member of Robin Mariar and Associates, London.

Mr. Peter Agar and Mr. T. J. Harkin have joined the Board of GEORGE STRACHAN AND SON as sales and design directors, respectively. Mr. Agar joins the company from Burco Dean.

British Museum.

Mr. Alan Liddle has been

appointed chief executive of CHRISTIE TYLER. He has been

George Williams who is at present chairman and chief

executive and who will remain

Mr. P. V. Olsen and Mr. A. H. M. Kelsey have been admitted to the partnership of KITCAT AND AITKEN, stock-

Mr. N. L. Clifford-Jones, chair-

man of SGB Group, has been appointed a director of BRITISH AMERICAN AND GENERAL

ITR GROUP has made the

Alan Tanner, deputy managing director of ITR International

director of ITR International
Time, has also been made
director of finance of the Group.
Mr. Brian S. Rayner becomes
director of marketing for ITR.
He remains managing director
designate of Building Micrasystems, the newly formed
energy management subsidiary.
*

Mr. Philip Appleyard has been appointed associate director (fisheries) of WIMPEY APPLE-

Mr. Peter Hodgson, managing director of Salford Electrical Instruments, has also been

appointed managin gdirector of

SATCHWELL CONTROLS, with responsibilities for the international and domestic Satchwell

companies. He remains managing

director of SEL, which will be include din the Satchwell Group.

Mr. E. Peter Gust, president and chief executive officer of HUDSON BAY MINING AND

CONTRACTS

CABLES.

BUILDERS

April 1980

FUEL.

HUDSON BAY MINING AND Mr. Harkin has been with SMELTING, has been appointed Strachan since 1966.

Coal Board awards

following appointments:

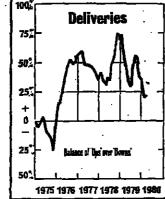
as executive chairman.

FT Monthly Survey of Business Opinion

GENERAL OUTLOOK Slight gain in confidence

THE GENERAL level of confidence in industry improved last month, partly because of the steel settlement and some post-Budget reflection. The index of confidence about business pros-pects recovered much of the ground it lost during its steep fall in March . But it remains severely depressed, not far above the lowest for four years.

Of the three groups of companies interviewed last month. the engineering industry continued to be pessimistic, while there was greater optimism in the brewing and distilling sector and in the paper and connected



pound remained the main reasons for pessimism in the engineering sector. But several brewing and distilling com-panies were more optimistic because of better sales produced by the good weather and lower than-expected increases drinks duty in the Budget.

The index of optimism about

UK economic prospects improved although companies' pessimism still remains relatively deep. More respondents felt that the Government had the right long term strategy, although there were complaints about the exchange rate and high interest rates.

GENERAL BUSINESS SITUATION	4:	nonthly	moving to	etai	Y	April 19	80
Are you more or less optimistic about your company's prospects than you were four months ago ?	Jan Apr.	Dec- Mar. %	Nov Feb.	Octr Jan. %	Eng's. (non- elec.) %		Paper Packaging Publishing
More optimistic	24	18	24	24	- 6	57	33
Neutral	. 34	34	- 36	- 37	53	43	35
		46		36	41		12

Statistical Material Copyright Taylor Nelson Group Ltd.

EXPORT PROSPECTS (Weighted by experts) Over the next 12 months exports will be: . 73 . 190 27 29

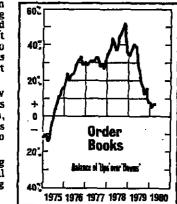
ORDERS AND OUTPUT

Demand slide levels off

There was a further indication last month of a slight levelling off in the steady fall in demand reported by companies since last sumer. However, it is still too early to say whether this offers definite evidence of the start of an uptrend.

Both the indications for new orders received and order books were barely changed last month, while the indicator for deliveries over the past four months also stabilised.

The brewing and distilling ector reported rises for all Engineering indices.



comparties said orders wer down and also had less hop of a pick-up in order books. Engineering orders were affected by competition from overseas, particularly from Far Eastern countries under-bidding on large contracts. The depressed construction sector was another factor.

The paper and connected indus tries group reported a lower level of recent deliveries, partly a result of competition from imports, lower advertising expenditure, and a drop in news paper sales caused by the

-		Den't knew	:	2	2		1			.
	NEW ORDERS		÷.	•						,
	HEN DIPPHO			4 mont	thly .	moving to	atal	•	April 19	BO
•	The trend of new orders months was:	in the last 4	jar Ar %	n. D	ec- ar-	Nov. Feb.	Oct- jan.	Engre. (non- elec.)		Paper Packaging Publishing %_
٠.		Up	3		35	31	. 34		37	11
		Same		?	19	27	78	12	29	70
re pe		Dewn	17	7	15	13	7	83		. 23
P-E		No answer	. 2	B .	37 .	35	43	5	. 14	56

PROBUCTION/SALES TURNOVER	4 1	nonthly r	noving t	otal		80	Mr. Geoffrey Slater has been appointed direcotr and general manager of the general products	
Those expecting production/sales turn- over in the next 12 months to:	Jan Apr.	Dec Mar. %	Nov Feb.	Oct jan. %	Eng'g. (non- elec.) %	Brews.	Paper Packaging Publishing %	division at BÖYDEN DATA PAPERS. * Christopher Moran Group states that Mr. Victor Wood has
Rise over 20%	6	6	5	3				been appointed chairman of
Rise 15-19%	6	5	5	. 3	6			HARMAN REDLEY AGENCIES
Rise 10-14%	- 11	74	16	22	. 11			in place of Mr. James Redgrove. who remains on the Board.
Rise 5-9%	22	20	16	17	6	21	28	*
About the same	. 47	46	48	46	54	50_	72	Mrs. Anne A. Piper has
Fall 5-9%	:1		1	1	: 5			been appointed a director of NATIONAL WESTMINSTER
Fall over 10%	Ĭ				13			BANK'S outer London regional
No comment		*	•	8	5		· <u> </u>	Board.

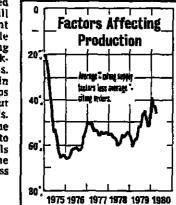
CAPACITY AND STOCKS

Stocks still too high

MOST COMPANIES surveyed felt that stock levels were still too high in relation to current sales trends. There was little change in the index registering the number of companies working at planned output levels. This has risen quite sharply in the past few months, perhaps because companies have cut

back planned production levels. The paper industry and the brewers were most inclined to report that their stock levels were too high, although the engineering group was less

CAPACITY WORKING



The impact of lower demand on the outlook for stock levels was shown by a sharp fall in expectations about the level of work in progress over the next

But all three sectors were more inclined to say that they expected stocks of raw materials and components to increase. Among factors affecting production, a shortage of home orders was mentioned more frequently than shortages FACTORS CURRENTLY AFFECTING PRODUCTION

STOCKS	•					٠.		
		4 :	nonthly n	noving to	rtal		April 19	80
Raw materials and components over the next 12 months will:	. A	en- pr.	Dec Mar. %	Nov. Feb. %	Oct jan. %	Eng's. (non- elec.) %	%_	Paper Packagin Publishin %
Increase		29	22	23_	25	25	72	46
Stay about the same	·	33	35	39	39	40	28 .	46
Decrease		29	31	25	24	35		2
No comment		9	12	15	12			6
Manufactured goods over the next 12 months will:								
Increase		19	18	24	.26	1	43	23
Stay about the same		10	36	36	33.	54	57	48
Decrease		41	22	75	14	17		23-
No comment		10	24	25	27	28		6

	. 4 1	BOUTHING I	uoame ro	1641	'	April 176	9U	A4月1 I
	Jan Apr. L	Dec Mar.	Nov Feb.	Oct Jan.	Eng'g. (non- elec.)	Brews, Distills,	Paper Packaging Publishing	£17½m ord
Home orders .	76	73	69	64	88	57	%	over £17.5m have been let by
Export orders	. 44	43	43	. 47	71	29	46	the National Coal Board. Supply of corrugated steel sheets, from
Executive staff	12	11	9	12	6		21	June 1, 1980 to May 31, 1981,
Skilled factory staff	24	27	25	26	53		2	worth £9,307,000 has been awarded to WM. GREEN
Manual labour	4	5	8	6	·			awarded to WM. GREEN (STEEL), J. R. STEELS,
Components	11	13	15	14		_	11	MORGAN E. REES, B.S.C.
Raw materials	: 19	17	. 9	-17	· 25		.33	STRIP MILLS, DANKS STEELS. A. THOMAS & CO. (MFRS.).
Production capacity (plant)	11	12	71	7			31	EUROPEAN STEEL SHEETS,
Finance	<u>2</u> ·	2	2	2	6.			G. WOLFE & SONS.
Others	12	12	10	6		14	6	Supply of rolled steel lagging boards, from June 1, 1980 to
Labour disputes	32	. 35	31	30	6		41	May 31, 1981, worth £3,532,000.
No answer/no factor	7	2	7	8	12	43 .	4	has been awarded to GEO WOLFE, HOLLYBANK ENG.
	. –				_			IAVREDIRE METALS NAR.

INVESTMENT AND LABOUR

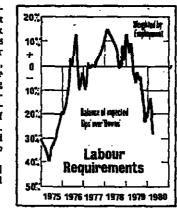
Above target capacity

Planned output

Labour cut-backs expected

The emerging recession is cutting deeply into employment prospects in industry. The index of expectations about changes in companies' labour forces over the next 12 months fell again, taking it to the lowest since the mid 1970s. The engineering group was particularly pessi-mistic about a cut in employment, largely owing to lack of orders and falling profitability. Brewers were also less inclined to expect their work force to

The index for the expected level of capital expenditure remained



at around the very low levels reported last month. Around 85 per cent of companies questioned said the abolition of companies exchange controls last October had had no effect on investment intentions. This was a rather greater percentage than when the companies were last quizzed in December.

51

33

30

26

42

52

Around one third of respondents said company liquidity was too low, about he same as last month. The liquidity squeeze was particularly marked in the engineering and brewing sec-

	•	•		
LABOUR	REQUIREMENTS	(Weighted	by	employment)

	4 monthly moving total			April 1980			
Those expecting their labour force over the next 12 months to:	jan Apr. %	Dec- Mar.	Nov Feb. %	Oct- jan. %	Eng'g. (non- elec.) %		Paper Packaging Publishing %
increase	15	16	22	- 23	6		12
Stay about the same	36	37	38.	36	42	100	.33
Decrease	43	47	35	39	52		- 55
Ne comment	6	6	3	2			· / <u>·</u>

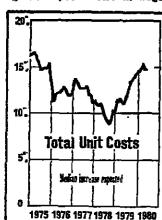
EARNINGS ON CAPITAL (Weighted by capital expenditure)

Those expecting capital expenditure over the next-12 months to:	jan- Apr. %	Dec- Mar. %	Nov. Feb. %	Oct Jan. %	Eng's. (non- elec.)		Paper Packaging Publishing %
- Increase in volume	.26	28	74	34	15	_	31
Increase in value	. : `				;		
put not in volume	19	15	16	. 9.	12	73	5
Stay about the same	172	12	17	15	12	20	21.
Decresse	36	33	- 24	23	55	7.	38
No comment	7	12	15	79	6	_	5

COST AND PROFIT MARGINS

Pressures ease slightly

be levelling out after months of increasing pessinism on wage and material costs. There was no change in the indicator projecting the expected rise in wages



over the next 12 months, with at 17.5 per cent.

the median forecast remaining On unit costs, both the paper and the engineering sectors

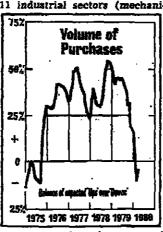
Inflationary pressures appear to expected smaller increases over FT-Actuaries' Index, which the next 12 months than they had done when last interviewed. The emdian forecast fell to 14.0 from 14.3 per cent, the first drop int he index since May 1979. Engineering companies were more optimistic of containing

future wage rises in the 10 to 14 per cent range, but brewers and distillers all thought that wages would rise by 15 to 19 per cent.

All three sectors expected smaller price increases over the next 12 months. The index for the median expected rise fell to 14.0 per cent from 14.3 per cent, There was some improvement in

expected profit margins, continuing the rise started in January. These surveys, which are caried out for the Financial Times by the Taylor Nelson Group, are based upon extensive interviews with top executives. Three sectors and some 30 companies are covered in turn every month. They are drawn from a sample based upon the

accounts for about 80 per cent of all public companies. The all-industry figures are four-monthly moving totals covering some 120 companies in 11 industrial sectors (mechani-



cal engineering is surveyed every second month). Complete tables can be purchased from Taylor Nelson and

	4 <u>_</u> r	nenthiy n	noving to	tal		April 19	BO .
Those expecting their labour force over the next 12 months to:	Jan Apr. %	Dec- Mar.	Nov Feb. %	Oct. Jan. %	Eng'g. (non- elec.) %		Paper Packaging Publishing
increase	15	16	22	- 23	6		12
Stay about the same	36	37	32	36	42	100	.33
Decresse	43	47	35 .	39.	52		55
No comment	6.	6	3	2			

Wages rise by 13 15-149 u 56 700 76 26-24% 25-27% Same 11 22 Unit cost rise by: 04% 5-9% 14 31 73 36 35 29 57 15-19% 37 29 28 38 28-24% **, 2** Same 23

COSTS

PROFITS MARGINS			4 monthly moving total April 1980					10	
Those expecting profit margin	ns over the	• • • • • •	Jan Apr. %	Dec- Mar.	Nov Feb.	Oct Jan. %	Eng'g. (non- elec.)		Paper Packaging Publishing
	Improve		46 -	36	32	31	78	86	31
. Remai	in the same		27	34 .	40 ·	40	37	. 74	39
	Contract		23.	24	25	25	64.		30
N	o comment	1 -	4 .	4	3	4	7	. · ·	

£17½m orders Contracts with a total value terminals and other equipment over £17.5m have been let by together valued at over £1m for together valued at over £1m for installation during 1980 in aircraft London's Heathrow Airport. The project, which was conceived by named tation "DRIVE" Review Into It involves the installation of over 50 programmable terminal clusters and 400 visual display units and keyboards, operating over communication

links into the main BA central processor at Heathrow. The DRIVE system is primarily

concerned with aircraft main-tenance, workshop stock control, AYRSHIRE METALS, DAR-LINGTON & SIMPSON, WML scheduling and spares tracking. GREEN, DANKS STEELS, B.S.C. GODINS, J. R. STEELS. Supply of roadside packing systems — Packbind, from February 1, 1980 to January 31, AEG - TELEFUNKEN (UK), Maidenhead, has a contract from the Civil Aviation Authority for the radar -replacement antenna programme. The antennae are of 1981, worth £1,272,000, has been awarded to BLUE CIRCLE INDUSTRIES. the SRE-M5 type. The group was also successful in obtaining Supply of telephone, lighting a multi-million pound contract for 500 kw broadcasting trans-mitters from the British Broadcasting Corporation. supply of telephone, ugnung and signalling cables, from June 1, 1980 to May 31, 1981, worth £2,250,000, has been awarded to A.E.I. CABLES, B.I.C.C., DELTA ENFIELD CABLES, PIRELLI GEN.

MARCONI INSTRUMENTS, a GEC-Marconi Electronics com-pany, has orders totalling Supply of building requisites, from April 1, 1980 to March 31, 1981, worth £1,201,568 has been awarded to J. H. SANKEY & SON. BUILDING MATERIALS, REPITIES pany, has orders totalling \$250,000 from Micro Consultants, British Aerospace Dynamics Group and SRA Communications AB for differing applications of the Autotest System 80 in-circuit tester but where the F.W.D. FERRANTI COMPUTER
SYSTEMS is supplying British
Airways with 3270 emulator test station in isolation.

OTTOMAN BANK

NOTICE IS HEREBY GIVEN that, in accordance with Article 29 of the Statutes, the ANNUAL GENERAL MEETING of Shareholders will be held on THURSDAY, the 5th June 1980, in THE GREAT EASTERN HOTEL (HAMILTON ROOM), LIVER-POOL STREET, LONDON, E.C.2, at 12.30 p.m., to receive a Report from the Committee with the Accounts for the year ended 31st December 1979; to propose a Dividend; to elect definitively two Members of Committee in accordance with Article 16 of the Statutes; and to fix the remuneration of Members of Committee in accordance with Article 18 of the Statutes.

By Article 27 of the Statutes the General Meeting is composed of holders, whether in person or by proxy or both together, of at least thirty shares, who, to be entitled to take part in the Meeting, must deposit their shares and, as may be necessary, their proxies. at the Head Office of the Company in Istanbul or at any of the various branches or offices abroad (in London at 2/3 Philpot Lane, EC3M 8AQ; and in Paris at 7 rue Meyerbeer, 75009) at least ten days before the date fixed for the Meeting.

The Report of the Committee and the Accounts which will be presented to the General Meeting are available to Shareholders at the Head Office in Istanbul and at the offices in London and Paris.

R. A. SUTCH Secretary to the Committee 6th May 1980

• MATERIALS

Foamed wrapping

ethylene film, called Aerowrap, is now being manufactured by the Flexible Packaging Division of BXL at Darton, Yorkshire (022-678 3388).

The material is available in perforated and unperforated form. When perforated by a BXL patented process, it is said to become a "breathable" wrapping material. Random perforations are made in a range of hole sizes which can a shrinkwrap material be varied—up to 80 perfora-tions per square cm can be

FOAMED, high-density poly-vegetables, bakery products plants, flowers, or any product which can cause condensation or needs to "breathe." Unperforated Aerowrap is

designed to replace expensive glassine, tissue paper and vegetable parchment papers for packagingpackaging edible fats. As a substitute for aluminium foil, high - quality, vacuum-metallised grades are available. Both perforated and unper-forated grades can be used as

Aerowrap is said to be parti-cularly suitable for running on form fill and seal machines. It In this form it can be used can be sealed by all methods for infusion and certain boll- used for sealing conventional in-the-bag applications, or as an law density and high density aerated film for packing fresh polyethylene films.

OFFICE EQUIPMENT

Copier will fit between desks

A DESK-SIDE copier has been the original to make the copy. introduced by 3M: mounted on Compared with the convention a pedestal swivel stand, it could lens arrangements, much less fit snugly between the desks of space is taken up, the number office secretaries says the com- of parts is fewer and there is pany, and is recommended for no distortion from lens/mirror copies per month.

Known as the 3M Compact Copier, the machine makes use of fibre optic light transmission and the company's Magne-dry direct electrostatic technique on coated paper.

By using an 8½ x ½ inch bar long originals such as telexes of fibre optic transmitting ends, can be copied. light from the source is scanned.

making about 1,000 combinations. The machine measures only 18 x 18 x 8

Originals can be continuously fed through the machine and the copies are cut to the size of the original—copying paper is roll fed. Copy rate is 14/min from 11‡ inch long originals;

More from 3M" House, P.O. acros the paper while a similar Box 1, Bracknell, Berkshire bar picks up reflected light from RG12 1JU (0344 26726).

Good picture in daylight

SUITABLE FOR nearly all the give uniform light distribution big screen and daylight viewing on the screen.

The projector has automatic applications that are beyond the abilities of machines with tungsten halogen lamps, a new

awar

The lamp is said to have three held remote control. times the life of its predecessor. It also has a pre-focus construction so that the user can Middlesex HAO 1EG (01-902 replace it without alignment to 8812).

threading with safeguards against accidental film damage tungsten halogen lamps, a new but start procedure has been 16 mm projector from Bell and simplified. Motor and lamp are Howell has a light output of controlled by push buttons 1700 lumers, a new gas dis silicon chip logic is employed to charge arc lamp, the Gemini ensure that if a button is 300, developed from the Marc pressed out of sequence no harm 300 used by the company in the is done to projector or film.

now discontinued model 666. The machine also has a hand-

More from the company at Bridgewater Road. Wembley.



This huge industrial vacuum cleaner is one of a series with ability to collect dense bulk materials such as foundry sand, catalysts and other "spillage" at rates of up to 5 tonnes per other "spillage" at rates of up to 5 tonnes per hour. Chieftain equipment of this type can also be connected into runs of fixed pipework to give a central vacuum cleaning facility within a building. The multi-stage turbine

type air exhausetr consumes low amounts of power when running at maximum suction and there are no tight internal clearances which reduce wear and maintenance requirements.
Three basic models are rated at 7.5, 10 and
15 hp. Sturtvant Engineering at Westergate
Road, Moulsecomb Way, Brighton, Sussex BN1

COMPUTER-AIDED DESIGN

Drawings produced on microfilm

COM (computer output microfilm), a new service will enable users of computer-aided plotting, duplicating and distributing drawings.

Launched this month by RHM CentreCOM, a subsidiary of Rank Hovis McDougall group, the service is a development of the widely used method by which alphanumeric data held on magnetic tape is transferred directly onto microfilm. The generated in computer-aided design means that drawings of

any size can be reproduced on mm microfilm, by-passing various lengthy stages required to produce microfilm conventional photographic COM involves running the magnetic tape through a recorder, a highly sophisticated

piece of equipment that reads tored co-ordinates to produce an image of the drawing which is displayed on an addressable cathode ray tube and photoby an associated camera. This obviates the need to use a plotting machine to

day are processed overnight and Harlow, Essex. 0379 53027.

FIRST OF its kind in the UK produce a paper-based drawing the completed output is avail-for the production of praphics for subsequent conventional able the following morning.

Output is on 35 mm microfilm Based: at Harlow in Essex, with each frame mounted in an RHM CentreCOM offers a 24 aperture card if required. An hour job turnaround with a eye-readable title caption can design to achieve significant collection and delivery service then be applied to each card. savings in the time and cost of within a 100-mile radius of More from Joseph Rank Harlow. Tapes received by mid- House, PO Box 11, The High,

INSTRUMENTS

Measures signals on application of the process to telephone channels generated in computer-aided

A HAND-HELD digital meter ages from zero to 100V. Auto-from Wandel and Goltermann ranging and a large display, (UK) can make weighted and recommendations and can measure signal levels from -70 to +10 dBm over the frequency

range 30 Hz to 20 KHz the data, converting the vec- another the PM-20, which cannot measure noise but can up to +30 dB. Resolution of the measurements is 0.1 dB, for

noise or level.
These light, portable instruments will also check DC volt-

which always show the correct unweighted noise measurements sign, allow repetitive measure on telephone channels to CCITT ments to be made quickly and easily.

Housed in a rugged shockproof case, the meters are powered by internal dry or Designated PMP-20, the unit nickel cadmium, batteries; a s being marketed alongside warning arrow starts to flash two hours before the battery is discharged and if the voltage drops any further the meter switches itself off to avoid bad readings.

More from the company at 40 High Street, Acton, London W3 (01 992 6791).

COMMUNICATIONS

All residents may be heard

Development Council has pro- door, vided funds worth £55,000 to Init Tunstall Byers, a Doncaster based company for the developcommunications systems for the elderly. . .

In total, £250,000 has been spent on the system which the company claims is a new approach to helping elderly people who live in sheltered housing schemes—which are usually run by local authorities.

Sheltered housing allows the old or disabled to live independent lives within the community but a warden, paid by the local authority, ensures that they are adequately cared for Each home in a particular scheme is usually fitted with a special alarm activated by a cord which can alert the warden if there is an accident or a resident has a

A large proportion of the time such calls are false alarms, and wardens are not able to discover the problem until they actually arive at the person's

The new system from Tun-stall Byers called Piper, allows speech between warden and the A small electronic unit which fits on the wall can be activated with a conventional cord or a small pocket sized transmitter, which can be careird about the person. This unit automatically dials a tele-phone call to the central unit which is located at the warden's

The warden can then talk to the tenant anywhere in the house because the loudspeaker is so powerful that it can be

THE NATIONAL Research and heard-even through a closed

Initially the company will be trying to market the system to sheltered housing schemes, which care for about 250,000 peope in this way.

However there are about 10m people in the UK who are of retiring age which represents 18 per cent of the population; 4m live alone. So only 5 per cent of this number can be offered protection.

Tunstall Byers says that because the equipment uses the public telephone network, there is no reason why private individuals outside local authority schemes could not use system, eventually. The ability to communicate with a central control is not limited by distance and it could cover far greater numbers than are catered for today.

The main problem is that at present there is no framework in which private homeowners could come under a single scheme and the cost of install-ing a system would be con-sidered too high.

Tunstall Byers hopes that with the emphasis on communities caring for the elderly rather than placing them in hospital or special homes, communications systems will become increasingly popular.
As well as spetch, the system is capable of monitoring homes

for fire and burglary and automatically transmitting coded signals bac kto a central point. Tunstall Byers, Moss Road. Askern, Doncaster, South Yorkshire, DN6 ORE.

PERKIN ELMER Computer Systems Division MANAGEVEVI INFORMATION SYSTEMS FOR THE '80s SLOUGH 34511 PERKIN ELMER Computer Systems Division

Microphone withstands rough conditions

PARTICULARLY useful in adverse conditions, for example for radio telephone applications in rough terrain vehicles, is a new heady duty, watertight hand-held microphone from Barkway Electronics, Barkway, Herts SG8 SEE Royston, (076384 666).

This shock-proof unit has encansulated switch and microphone insert and will be made available as an OEM item to meet most types of hand-held microphone applications, apart from becoming standard in Barkway's yacht radio.

Designed for close-talking us, the microphone will be available with a range of inserts to suit customers' requirements frequency response and operational noise levels.

The company is working on an intrinsically safe version for use in hazardous areas.

Intercom equipment offers wide ranging facilities

equipment is a new master into the station-the first of a new and range of intercom equipment

Available from Pye Business Communications of Cambridge, the master station has it own microprocessor giving control of a number of facilities. Sound quality and voice switching characteristics are claimed to the best yet achieved in an intercom system, exceeding the high standards already set by current M100 equipment, with which the new station is compatible.

M100 provides instant "hands voice links between anything from two to many thousand stations. It is adapt-

LATEST development in the stations (and extra cable if stations at the touch of a single Phillips M100 direct speech needed) are simply plugged button. 8-pair parallel cable. reprogrammed seconds.

> internationallyapproved keyboard layout incontrol and privacy button as of standard and optical funcgroup call, connections across system through a coupler.

Stations can also be fitted with a telephone handset for confidential conversations and with programmable direct call buttons, giving direct access to able and extendable; extra up to 12 frequently-called

the M100 system dispenses with the large central exchange and the expense of wiring every station to it. The compact control equip-

well as controls for a number channel unit for small, basic systems up to the master functions. These include automatic tion control (MFC) which can call-back, triplex conversations, accommodate hundreds or even thousands of stations and proprivate tie-lines and links with vide a large number of system

The flexible M100 system can thus offer the greater efficiency of a fast second channel of the largest commercial or indus-

CONTRACTS AND TENDERS

ETHIOPIA

INTERNATIONAL TENDER FOR THE PURCHASE OF

SUPPLEMENTAL TRAINING EQUIPMENT NYITATION No. T-09/72

The Provisional Military Government of Socialist Ethiopia, Ethiopian Roads Authority, announces the release of an international tender for the purchase of Supplemental Training Equipment. The purchase of supplemental framing equipment.

The purchase of this equipment is financed by the International Development Association and bids are soalicited from member countries of the IDA. Interested and qualifying bidders are advised to collect bid documents from dur Procurament Office Room No. 106 during working hours upon payment of 10.00 birr per set. Bids will be opened in public in the Conference Room 4th floor of the Ethiopian Roads Authority headquarters building on June 10,

1980 at 10,00 hours Addis Ababa time. The Authority reserve the right to reject any or all bids that are not inconformity with all conditions and specifications mentioned in the tender.

Ethiopian Roads Authority

BOND DRAWING

IRTLAND 31% 1974/1984 UK 20,000,000 NOTICE IS HEREBY GIVEN to the ne 12, 'breek nerket. Amort on the market. Amort on the market. Amort on the market. Amort on the market. Amort on the market of the market of

LEGAL NOTICES

IN THE MATTER OF: The Companies (Winding-Up) Act 1977
IN THE MATTER OF: CETA SHIPPING CO LTD. HAMILTON. BERMUDA—NOTICE IS HEREBY GIVEN that the Creditate of the show named Company, which is being voluntarily would up, are required, on or before the Minthday of May 1980 being the day for that purpose fixed by Mr. Brune Boesch and Mr. Harold Arthur, Joint Liquidators, to send their full Christian and Surpomes, their addresses and the homes and addresses of their solicitors (if any) to the undertigned at Messas. Detid 8 Summerron. 5 Batton Place, Mouse Street, London Wity 58G, and if any originized by actice in writing from the send Joint Liquidators, and personally of by their achicitors, to come in each prove their debts of come in each prove their debts of claims at such time and piece as shell he specified in sight nectice, or in relevant the Length of any distribution medications, the heatest of any distribution medications are the heatest of any distribution medications are such they of April 1960.

PVAN'S DODD & SUMMERTON, Solicitors to the above-named Josef Liquidotors.

IRBID DISTRICT ELECTRICITY COMPANY LTD. PROJECT 5022/01

PERUSAHAAN UMUM LISTRIK NEGARA

AGENCY OF THE MINISTRY OF MINES AND ENERGY OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

Tenders for the Coal Handling Plant Contract for the new 2×400 MW Suralaya Steam Power Plant near the town of Merak in West Java will be received on or before 10.00 hours on 20 August 1980 for public opening at 11.00 hours at the Head Office of Perusahaan Unaver Listrik Negara, Jalan Trunojoyo Blok MI/135, Kebayoran Baru, Jakarta, Indonesia. The eCoal Handling Plant Contract comprises the design, manufacture, supply, erection and commissioning of plant to receive, stock pile, reclaim and transfer coal to the steam generator coal bunkers.

Coal will be received from self discharging ships at Suralaya at a rate of 4,000 tonnes per hour. Annual quantity of coal be handled will be about 2.5 to 3 million tonnes initially with expected increase to 6 million tonnes in the future. Beginning 19 May 1980 the Tender Documents may be examined and upon payment of the non refundable sum of US Dollar 300 can be obtained at the address below:

PERUSAHAAN UMUM LISTRIK NEGARA DIRECTORATE OF PLANNING JALAN TRUNOJOYO BLOK MI/135 KEBAYORAN BARU, JAKARTA INDONESIA

To qualify for award, tenderers must have su designed, manufactured, erected and commissioned a minimum of two comprehensive coal or similar bulk material handling plants (such as ore or crushed stone) during the preceding ten years which have been in successful commercial operation for a minimum of three years, each with an annual capacity in the range of 3 million to 5 million tonnes or larger. Tenders will be received from qualified suppliers or their authorised representatives. Perusahaan Umum Listrik Negara has applied for a loan from the International Bank for reconstruction and development and will apply the proceeds of this loan to payments under this contract. Only manufacturers residing in member countries of the International Bank for reconstruc-tion and development or Switzerland are eligible to tender. Perusahaan Umum Listrik Negara reserves the right to reject any or all Tenders and to waive minor irregularities and

JAKARTA, 5 MAY. 1980 PERUSAHAAN UMUM LISTRIK NEGARA

PAPUA NEW GUINEA **ELECTRICITY COMMISSION**

KAUGEL NO. 1 HYDROELECTRIC PROJECT PREQUALIFICATION FOR ACCESS ROADS TENDERS

Interested contracting firms are invited to submit application for inclusion on the list of prospective tenderers for construction of access roads at Kaugel No. 1 Hydroelectric The works consist of 32 kilometres of new roads together with ancillary drainage and the construction of four bridges.

The quantities of major items include 2 million cubic metres of excavation in materials ranging from volcanic ash to limestone; 108,000 cubic metres of road pavement material limestone: 108,000 cubic metres of road pavement inaterial and 190 metres of single and multi-span bridges. Participation in the prequalification is open, subject to international finance agency acceptance, to tenderers from any country. A course of funds is currently being pursued. Applications must be submitted on official forms which are obtainable, together with the P.Q. brochure, from the office

Papua New Guinea Electricity Commission P.O. Box 1105, Boroko, P.N.G. Telephone: NE 22121, Telex. 225833 Attention Chief Engineer, Design and Contracts Submission of applications closes on 3rd June, 1980



WANTED 33,000 sq.ft. Prestige office accommodation

Apply: ANYTOWN PROPERTY CO. LTD. Station Avenue, Anytown.

With Van Blerk systems furniture, read '22,000 sq.ft'.

There's a simple way to increase the effective utilisation of office space by up

Ir's called Van Bierk: the modular system of furniture and easy-access storage units that allows work surfaces to be linked together in various ways.

Consequently, it integrates more harmoniously with the office layout (and the company's own method of working). By using Van Blerk system furniture, more people can work together in comfort in a given space. And although statistically

designed, we wouldn't be a bit surprised if it wins an award or two for styling. In the U.S., as many as 46% of all offices



use system furniture while in the U.K. the figure is only 7%.

The high price of office space (ccupled with the importance of greater office productivity) is soon going to change all VAN BLERK SYSTEMS FURNITURE

Phone 01-407 3191 For an evaluation of Van Blerk systems

furniture and details of our free office surveys phone or write. Name: Title:

Соптраву: uddress:



Building and Civil Lugingoring

Coast protection work by Costain

Contract for Gilbert Ash

training workshops, classrooms Partners as engineers—all of and a block of training cottages, Edinburgh. Gilbert Ash is cur-

Laing Construction has gained and completion will take two a £2.3m award from Guinness years.

training centre and workshops in situ concrete floors.

When completed towards the

rently engaged on a telephone

worth £1m and an office block at Woodside Terrace in Glasgow.

for the construction of coastal defences have been awarded to

Ministry of Public Works and Operating Company. Housing. Worth about £3m this This work, to be is for completion in mid-1981 and calls for the construction of four kilometres of rock precasting work will be carried Barwick will consist of seven been lodged with Stockton armoured sea wall—two kilo- out on the mainland and villages with associated primary Planning Authority.

Awards to

IN THE Surrey Docks re-

development scheme in London,

the new distributor road is to be

500 metres of carriageway, a pedestrian underpass and a

Meanwhile. the Thames Water Authority has placed a

group of three contracts with Tilbury, adding up to £800,000.

micro-strainers within a piled

treatment works, and an office

Dated: April 24, 1980

block at Sunbury-on-Thames.

play area for the Dockland and will cost \$1.1m.

Tilbury

will be demolished.

project is Allott and Lomax Holdings, a subsidiary of the centre. (Middle East).

This work, to be completed east of Yarm, Cleveland.

to G.A. Design Bulld Manage-

Settlement, inter alia. An existing bridge over the Lady Lock Gilbert Ash Scotland which will tish Telecommunications Board

They include an extension to Lechlade Sewage Works, a reinforced concrete structure for

complete the job in May 1981.

cofferdam at Swinford water NORTHWEST region of John walls and pitched, tiled roofs

A new store and office is also to be built for Avis at the latter's Langley premises. This is valued at £112,000.

Trust for the construction of Architects are 123 new homes in Rochdale. Meacham Partnership and construction will be tradisticated at £112,000.

Architects are 124 new homes in Rochdale. Meacham Partnership and construction will be tradisticated at £112,000.

NOTICE OF REDEMPTION

To the Holders of

Queensland Alumina Holdings N.V.

61/2% Secured Bonds Due 1982

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Queensland Alumina Holdings

N.V. Collateral Trust Indenture dated as of June 1, 1967, as supplemented, U.S. 81,044,000 principal

amount of the above described Bonds have been selected for redemption on June 1, 1980, in lieu of a redemption for the purpose of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, each in the denomination of \$1,000 bearing serial numbers with the prefix letter

Outstanding Bonds bearing serial numbers ending in any of the following two digits:

15 19 21 25 31 32 33 34 41 43 46 49 50 56 57 58 68 69 88

of the United States of America as at the time of payment shall be legal tender for public and private debts. Said Bonds will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate

trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, or (b) subject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt (Main), London or Paris or at the

main offices of Bank Mees & Hope NV in Amsterdam or Banque Internationale à Luxembourg S.A. in Luxembourg or Banca Vonwiller & C. S.p.A. in Milan. Payments at the offices referred to in

(b) above will be made by check drawn on, or by a transfer to a dollar account maintained by the payee with, a bank in New York City.

Coupons due June 1, 1980 should be detached and collected in the usual manner.

NOTICE

The following Bond of U.S. \$1,000 previously called for redemption has not as yet been presented

21-6886

On and after June 1, 1980 interest shall cease to accrue on the Bonds herein designated for

QUEENSLAND ALUMINA HOLDINGS N.V.

By WILLIAM HORBS, Managing Director

On June 1. 1980, the Bonds designated above will become due and payable in such coin or currency

The contract covers three

CONTRACTS worth about metres capped with a concrete shipped to Das Island by tugs schools, shops, pubs, community sewers, and the connection of a Streeters to £2.8m.

and barges.

Arab Emirates, and Das Island,

Constulting engineer for the Back at home, Yarmside schools and a neighbourhood Costain Group, has started work

Preliminary infrastructure defences have been awarded to
Costain International.

In Fujairab, Costain is building the cast coast protection for the UAE
In Fujairab, In Fourier in Figure in the cast coast protection for the UAE
In Fujairab, Costain is building the cast coast protection for the UAE
In Fujairab, Costain is building the cast coast protection for the Costain International.

In Fujairab, Costain is building the cast coast protection for the UK's largest roads and sewerage facilities, to housing developments—the conputation of 8,000 dwellings on the first two villages.

Ministry of Public Works and Operating Company.

On Das Island, Costain International.

In Fujairab, Cleveland.

In Fujairab, Cleveland.

In Fujairab, Costain is building the cast coast protection conprising on the cast coast protection for the UK's largest roads and sewerage facilities, to housing developments—the conputation of 8,000 dwellings on the first two villages.

Ministry of Public Works and Operating Company.

On Das Island, Costain International.

In Fujairab, Cleveland.

In Fujairab, Costain is building the cast coast protection on one of the UK's largest roads and sewerage facilities, to open up the areas of land for the international is carrying out a national severage facilities, to open up the areas of land for about 1,000 acres of land north-land is carrying out a national is carryi

start in 1981, providing 400-500 housing units each year. Plans late this year, will protect. When completed towards the housing units each year. Plans 800 metres of coastline. All end of the century, Ingleby for the first 133 dwellings have

Kent firm

OVER 22m-worth of work in Surrey spread between three projects in Cobham, Guildford and Egham has been won by

In Guildford, the fitting out Constructions is now well supply, installation and main- the supply of 22 Sykes automatic At Egham conversion of

THE SCOTTISH Gas Board has basic buildings of steel frame awarded a contract for the construction with colour metal design and construction of a cladding and both pre-cast and busy in Surrey G.A. Design Build Managethe new distributor road is to be built for the Borough of Southwark by the Tilbury Contracting Group. This £\$00,000 project calls for This £\$00,000 project

Wiltshiers.

In Cobham, the company is undertaking repairs and alterations to the manor house at Cobham Park to convert the 19th century mansion into offices for the British computer software company Logica. The refurbishment of the building includes cleaning the external stonework and restoring the interior of the mansion to its original elegance. Agent and surveyor for the project is Hillier Parker May and Rowden, with quantity surveyor Raymond Hart and

of a new C & A store for Brador under way and it is expected that work will be completed in September. Architects for this project are North and Partners and the quantity surveyors are Banks Wood and Partners. existing premises is under way

to form new laboratories for Richardson-Merrell. This is a

Reclaiming riverside land

TWENTY ACRES of riverside mud flat are to be reclaimed for the Medway Ports Authority by Ham Dredging under a £2.3m

The Lappel Bank is close to Sheerness Docks and the work will provide the latter with additional land for the storage of export/import vehicles. Reclamation work could be completed by October, when surfacing will start and Hem Dredging will be collaborating with the Medway Authority's consulting engineers Posford Pavry and Partners, based in Peterborough.

to re-roof Greater Manchester, ready for occupation in the on the Huntley Fold Estate Transport's Queens' Road summer, while the larger con- under a £893,000 contract Garage, part of GMT's £15m tract, involving the rehabilita- awarded by Bury Metropolitan garage renovation programme. tion of 111 houses at Rock Borough Council.

placed with Humphreys and at Rye Hill West. Glasgow Services by the city The second calls for the modernisation of old people's f Newcastle upon Tyne. bungalows at Eldon Road, The first is valued at £1.2m Lemington.

developed by the Agency and

BSC (Industry) and should pro-

which wil be welcome in the

A WAREHOUSE and office com- steel frame building, 54 metres plex is being built by Hewgate long and 7 metres to eaves. of about £420,000 for Health an in-situ reinforced concrete of Aylesbury, Bucks, at a cost

a single span 35 metre Butler parapets.

of Newcastle upon Tyne.

The offices supported within frame with brick piers and infill nanels—will have long runs The main building will be a of aluminium framed windows 20,000 sq ft warehouse which at ground and first floor levels Hewgate is constructing from together with deep zinc-faced

Removing the water

Surface water drainage

Civil engineering work

Development Agency.

BSC (Industry) and should proIt is worth £1.4m and covers vide new job opportunities

Homes to be modernised

Warehouse and offices

Streeters of Godalming is to into the new line.

Borough of Croydon.

The contract calls for the

large diameter pipe with

out by Boskalis Westminster

Construction for the Welsh

the construction of dual and single carriageway roads, foul area.

A MAJOR contract for the and £400,000 and will include tenance of a complete wellpoint vacuum priming centrifugal dewatering system in Dubai has pumps, wellpoints, risers, header been awarded to Khansaheb-Sykes by Al-Ashram/EPTO/ LTPA, an Arabic/French consortium which is to under-take the construction of six underpasses in a £37.5m project. and the consortium plans to

pipes and all necessary high pressure jetting pumps for inserting the wellpoints: Because of the rapidly increasing traffic congestion in

the city, the scheme is urgent Value of the dewatering complete the work within 21 contract is between £350,000 months.

Structural steelwork

TWO BIG bulk feed mills for 62 silos for each mill and the BOCM-Silcock are to be set up structural frameworks for assoat a cost of about £1m-so far ciated buildings. at a cost of about film—so far in the meantime, the com-as his structural steelwork is pany has fabricated the strucconcerned—by Robert Watson tural steelwork (£204,000) for and Company (Structural the East Lancashire "Skil-Engineers).

The mills, at Penrith, Cumbria, and Enstone in Oxfordshire will each have a capacity of 75,000 tonnes a year.

centre" at Accrington for the DOE Property Services Agency. The main contractor is Turriff. The company also has won a contract worth £170,000 for the

Modernising homes

CONTRACTS in the north-west Ferry, is due for completion in of England worth over £21m the autumn. have been won by Holland, Hannen and Cubitts (North-ern), a member of the Tarmac

Cubitts is working on 141 homes. Value of the work, at houses for the Metropolitan Cantril Farm Estate and Borough of Wirral under con-9 H. H. Robertson (UK) has tracts worth fl.im. Thirty of won a further £225,000 contract these at Birkenhead will be

North of the Mersey, Cubitts has been retained by Knowsley MBC to carry out external repairs to more than 2,000

In Greater Manchester the company is to remodel 116 flats

Pile driver UNDER A £1.4m contract, number of surface water sewers monitor

carry out a surface water drainage scheme in Mitcham DATA ABOUT the energy being drainage scheme in Mitcham ing station and pipeline in the supplied to a pile during driv-ing can be obtained without Road, Croydon, for the London Coye Valley for Rushmoor Council. This will cost £740,000 interfering with the work using a simple device developed by and involves a 2 km rising main construction of 1,400 metres of and a 1,200 mm diameter Fugro, the geotechnical con-sultants of Ruislip, Middlesex gravity sewer. Several other smaller con-

(Ruislip 30791).

Parpose of the unit is to realignment of various foul tracts bring the total awards to measure accurately the terminal velocity of the ram for each blow, which it does by means of light emitting diodes mounted on a static component of the

hammer.

A moving vane cuts a beam generated by the diodes and the duration of the break can be engineering work on the Deeside British Steel's Shotton works, Industrial Park is to be carried the industrial park is being printed or recorded on punched tape. This provides a measure of the energy (knowing the mass of the hammer) on a blow by blow basis and also gives an

impact count. The provision of such data can be useful on sites where predictions indicate possible refusal conditions, or wherever plle driveability differs greatly from the predicted behaviour. It should also assist in adjustand surface sewers and gas, clectric and PO distribution work are Ward Ashcroft and mains. It should also assist in adjustments to a new hammer and TWO AWARDS worth together and is for the refurbishing of over a period give historical data on a number of aspects of the work that could lead to better than £11m have been a number of Victorian houses

Sounding is simplified

USED in conjunction with most recording depth sounders, the Raytheon SSD-100 survey sounder digitiser will provide a survey grade four digit depth display with a binary coded decimal electrical output for data logging and integration into hydrographic survey

This unit has automatic seabed acquisition and tracking, allowing unattended operation uner normal survey conditions. Should false sea bed targets disrupt normal tracking an automatic search mode is initiated and audible, visual and data alarms are made. When the receipt of four valid echoes). auto-tracking resumes.

Seabed acquisition through shoals of fish, scattering layers. seaweed and so on is ensured by a positioning control which is centred round the true bottom. In addition, adjustable reverberation blanking prevents lock-on to false targets to a depth of 80 ft.

The equipment measures only 75 x 127 x 225 mm and weighs 16.5 kg. Used with the com-pany's DE-719B Fathemeter, a complete automatic survey system is provided and the total weight, including transducer, mount and rigging is still only

Originating from Raytheon Ocean Systems Company in the U.S., the unit is available in the UK from Offshore Environmental Systems, 17 West Street. Farnham, Surrey GU9 7DR (0252 714812).

CRENDON CONCRETE FRAMEWORKS The right way

to build **FACTORIES OFFICES &WAREHOUSES**

CREMOON CONCRETE CO. LTD Long Crandon Bucks, Tel: 208481. .

Calculates awkward volumes

NATIONAL COAL BOARD has purchased eight Kern DM-501 electronic distance meters together with eight Kern K-ISE theodolites as part of a programme of modernisation linking electronic surveying equipment and microcomputers. The Kern instruments were supplied by Survey and General Instru-ment of Edenbridge, Kent. The novel equipment will be

used mainly for long-range tacheometry in open-cast min-ing areas. Some of these opencast mines have voids over 1 km across, and measuring overbur-den removed—and later replaced—can be a difficult task.
Using the Rern DM-501
together with a Kern KI-SE theodolite, the surveyor can calculate the precise position of up to 500 points on the surface of the ground per day, and use the information to arrive at a com-putation of the volume of material removed or replaced since the previous set of readings were taken.

Survey data from theodolites and electronic distance meters will be recorded on standard field data sheets and later pro-cessed on a Hewlett-Packard HP-85 microcomputer. The computer is portable and can be taken from one site to another with ease, thus eliminating the need for taking or transmitting the acquired data to a remote processing facility; the computer incorporates an bottom is re-acquired (after integral VDU and thermal printer.

The computer could be used in conjunction with a plotter to give excavation profiles, and the Coal Board is considering the possibility of data transfer between the field instruments and the computer via a solid state data logger which could be interfaced with the computer

Surrey and General on 0732 864111.

IN BRIEF

• Two office buildings and a control room at Southern Elecheadquarters in Maidenhead, Berkshire, are to be built by IDC of Stratford on Avon.

Worth more than £im. an order to supply drilling rigs to Uganda has been granted by UNICEF to Duke and Ockenden member of the Mowlem Group.

"PLANT AND MACHINERY SALES"

1) ROLLING MILLS.

12in x 30in x 35in wide x 400 hp Four High Reversing Mill. 5in x 12in x 10in wide variable speed Four High Mill. 3.5in x 8in x 9in wide variable speed Four High Mill. 10in x 16in wide fixed speed Two High Mill. 10(n x 12in wide fixed speed Two High Mill. 6in x 16in x 20in wide Four High Mill. T50 x 100 mm x 15 hp Two High Tape Rolling Mill. 110 x 100 mm x 10 hp Two High Tape Rolling Mill.

2) WIRE FLATTENING AND NARROW STRIP ROLLING MILL Two stand by RWF. 10in x 8in rolls.

3) DECOIL AND CUT-TO-LENGTH LINES. 1500 mm \times 3 mm \times 10 Ton and 15 Ton Coil. 1000 mm \times 2 mm \times 5 Ton Coil. 750 mm x 3 mm x 5 Ton Coil. 400 mm x 3 mm x 2 Ton Coil.

SLITTING LINES. 1220 mm x 3 mm x 5 Ton Coil. 920 mm x 5 mm x 10 Ton Coil.

920 mm x 2 mm x 2 Ton Coil. 300 mm x 1.5 mm x 1 Ton Coil. 36in and 48in Sheet Slitters. 5) WIRE DRAWING MACHINES.

6 Block, in line, variable speed (560 mm x 25 hp D.C.);
9 Block, non slip cumulative (610 mm x 25 hp A.C.);
8 Block, non slip cumulative (569 mm x 25 hp A.C.). 6 Block, non slipe cumulative (356 mm x 7.5 hp A.C.). Horizontal Drawblock variable speed (915 mm x 75 hp D.C.). Hortzontal Drawblock variable speed (456 mm x 15 hp D.C.). Vertical Drawblock (2) variable speed (610 mm x 25 hp D.C.). 15 Die Cone tyep and Spooler, 4500 ft/min (2 machines). 9 Die cone type and finishing block, 750 ft/min. 6) SHEARS AND GUILLOTINES. 1220 mm × 25 mm Cincinatti Plaze Shear

510 mm x 16 mm / 50 mm x 50 mm PELS Scrap Shear, 2.5 m x 3 mm Hydraulic Guillotin, Pearson. 2.5 m x 3 mm Hydraulic Guillotin, Pearson.
2.5 m x 3 mm high speed mechanical Guillotin, Keetona.
7) SHEET LEVELLING ROLLS 920, 1,150 and 1,850 mm wide;
8) HYDRAULIC SCRAP BALING PRESS, Fielding & Platt.
9) FORGING HAMMER 3 cwt, slide type. Mastey.
10) AUTOMATED COLD SAW, non-ferrous, Noble & Lund,
11) BAR & TUBE REELER 75 mm capacity.
12) ROTARY SWAGING MACHINE, 25 mm capacity.
13) 20° COLD SAW, non-ferrous, Noble & Lund.

13) 28" COLD SAW, non-ferrous, Noble & Lund.

Wednesbury Machine Co. Ltd.
Oxford Street, Bilston
Tel: 6902 42541/2/3 - Telex: 336414
WICKMAN 6 SP AUTOMATIC 1. rebuilt to maker's limits,
WICKMAN 6 SP AUTOMATIC 2. rebuilt to maker's limits.
WICKMAN 6 SP AUTOMATIC 2. reconditioned to maker's limits.
200 TON HYDRAULIC PRESSES. Excellent. LARGE INTERNAL GRINDER, swing Sfc, excellent. 200 TON CLEARING PRESS, inch stroke.

Rolls Tools Ltd. 154/6 Blackfriars Road, London SEI 8EN Tel: 01-928 3131 - Telex: 261771

CONFIDENTIAL NEW SERVICE

telephone David Arrowsmith to discuss Industrial Doors and Security Closures in your country. Mutually beneficial. SHUTTER DOORS LTD.

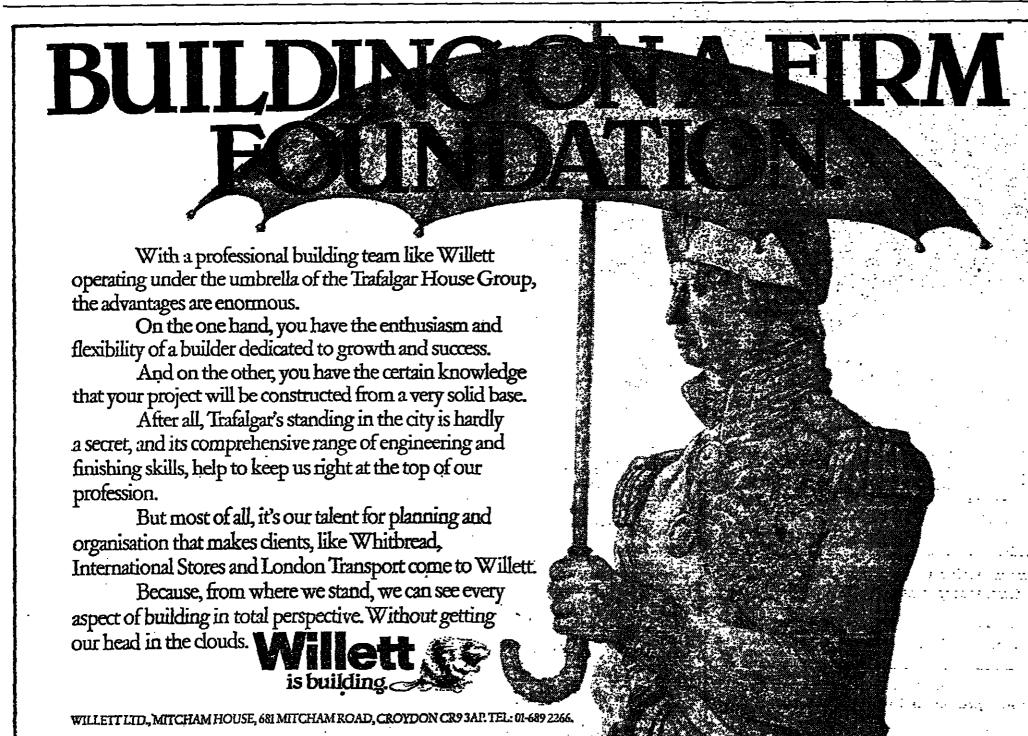
Wharf Road Industrial Estate Pinxton, Notts. NG16 6LE Tel: Ripley (0773) 811081 Telex: 377370

VISITORS TO BRITAIN

INTERESTED IN

INDUSTRIAL DOORS

before returning home please



THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Bulls and bears in a video spin

John Lloyd examines competitive strategies in the video tape and disc market

THE DAY when we all turn into what Ogden Nash called "videots" is drawing inexorably closer. Or, as the conelectronics industry would prefer to put it, the television set is in the process of being transformed into a entertainment-comeducation - cum - computing

tobuild

ACTORIES OF

& WARLINGLY

Iculates

kward

IN BRID

Viewdata systems Britain's Prestel and the French Teletel comprise part of this electronic jigsaw, as do-in some countrieschannel. But it is the arrival of video-tapes and video-discs playing their pictures onto the living room's TV screen (vin a magic box called a recorder) which is most immediately attractive to the consumer—and to the massed ranks of multinational indus-

There are two schools of thought on the relative merits. of video tapes—which have been on the market since the mid-1970s-and discs, which are about to be launched to

massive promotional fanfares from the growing welter of competing suppliers. Since their battle lines are composed of the most powerful companies in Japan, the U.S. and Europe, this debate is hardly academic: the viability of enormous investment and marketing effort hangs on its

Both sides agree that disc will not replace tape; there is even agreement (usually) that both markets will grow together. The debate is rather over the uses to which both. specially disc will be put, and thus the relative strengths of each as commodities. It is, if you will, an argument tween the buils and the

The buils say that both markets, but especially discs, will grow dramatically. They say this because they believe the two systems have comple-mentary uses. Tape will be used for recording TV programmes that viewers have missed, for showing homeamde video tapes (enthusiasts are reportedly already ruining their friends' evenings in this way), and for training and demonstrations.

Discs, they say, will be the mass market for entertainment; people will be able to buy films of their choice, much as they buy LPs now. Music buffs will be able to watch as welt as to listen to their favourite group or symhony, western fans can see High Noon every Saturday night, and those who like mush can see Love Story till their tearducts run dry.

At the same time, disc can

also be found uses in schools, colleges and companies. The bears agree that video tape will be used for home taping (it already is) and for training/education. But they do not think disc will take off in a big way as an entertainment medium. They believe that people do not want to see even favourite movies over over again—or not enough to create the mass market which would bring the

cost down far enough to allow

more people to buy a film for the price of three of four

The bears also argue that broadcast TV will get better films sooner after release, so-that it will not be worthwhile buying a film when you can tape it, keep it for a while. then wipe and re-use the tape. The place of disc, they say, will be largely in education, training, and promotion.

The bulls, not surprisingly are in the majority: Philips, the Dutch pioneers; America's RCA the second to arrive in the market; Japan's JVC-a subsidiary of Matsushita-the third; and in Britain, Thorn-EMI, which last month signed a co-production deal with JVC, the first the Japanese

company has signed. All broadly believe in the first of these futures. All, too have been careful to secure 'software" or entertainment divisions, to give them something (anything!) to put on their discs.

Philips is a joint owner with

gram music company (which ought out Decca's music interests earlier this year); RCA has extensive film TV

and music interests, while JVC — which is already Japan's biggest record producer-found Thorn EMI particularly attractive because Thorn had secured EMI's big music division in what had seemed an after-thought but new looks increasingly canny. Becaus their companies are big and powerful, the bulls may make many of their mar-ket predictions come true by their forward charges. The most public of the

bears is Sony, the Japanese railway arch-to-multinational corporation which so often been a market-leader. This time, though, it says it will sit out the first waltz (though it is likely to be in the last tango) the market smaller than everyone thinks and there will be the usual



believes discs will be used for

Sony receives tacit backing films, but because of it from IBM which, like Philips, has entered into cross-licensing agreements with MCA corporation, a major film and record producer. MCA will market the Philips disc system in the U.S. involvement probably not due to any

wish to make or distribute

industrial and commercial purposes and it wants to cover all its customers' needs (or rather to keep its competitors away from them).

come of the battle greatly to expand the video market will

decide which is right. It could in show business, just as the company which discovered the Beatles, EMI, now finds it is part of the software industry. On tomorrow's Management Page, Richard Hanson report from Tokyo on the rise

ONE OF the consequences for which the state reprehends, and companies of any further escalathese liabilities other states will tion of the Middle East ordinarily recognise." accompanied by differences of differences approach between the U.S. and its Allies, could be the eruption

of a host of legal problems. additional government sanctions assumption that these states against Iran—or against the Soviet Union over Afghanistan -would be complex enough on their own account. But they be aggravated still further by the already controversial issue of the extraterritorial application of U.S.

The long arm of American courts has been getting longer and stronger ever since 1945, when the U.S. Supreme Court ruled that "it is settled law . . . that any state may impose liabilities, even upon persons not within its allegiance, for conduct outside its borders

IML Air Courier Services Deliver

on time New York and worldwide daily

Tel: Heathrow (09327) 80341 Telex: 8811248 (IMLAIR)

This doctrine called the effects doctrine, was originally developed to cover relations between the individual States of the Union. When it was applied The legal implications of any to foreign states, however, the would recognise such liabilities imposed by the United States was not fulfilled. There are less than 19 diplomatic protests on record, as well as numerous protracted and fruitless meetings between officials. When United States started to its anti-trust laws in combination with the effects doctrine for the pursuit of

economic policies contrary to those of its trading partners particularly in shipping, aviation, the securities industry and arrangements concerning supply of pranium—a the number of countries introduced legislation. These included Britain, Australia, Canada, the Netherlands and

South Africa. particularly irritating ct of the extraterritorial aspect application of U.S. laws is the method used for the collection of information in foreign countries. Inquiries are addressed not only to parties in a litigation but also to potential witnesses, seeking information inquiries and to the discovery some, as yet, undefined

Such "fishing expeditions frequently regardless of foreign laws prohibiting the provision of such

Sanctions, subsidiaries and the long arm of U.S. justice

A. H. Hermann describes new proposals for overcoming the excesses of extraterroriality



information. For example, in 1964 the UK adopted an Act to protect the contracts and documents of British shipping companies. In December 1977, in the RTZ/Westinghouse uranium judgment, the House of Lords set limits to the assistance which U.S. courts could expect from UK courts when making their inquiries.

Finally, in March, Parliament the Protection of Trading Interests Act, giving the Government and courts new far-reaching against the incursions of U.S. multiple damages which British firms might have been made to authorised pay in the U.S. Blocking legislation of this

no real solution to the problem. It can lead to legal battles which create chaos and are detrimental to trade.

This legal war is not only affecting large multinational companies, but increasingly also smaller enterprises which are caught by the U.S. product liability laws and exposed to the threat of triple damages. even if they have no presence or agent in the United Statesthe fact that their goods were sold there is enough for some U.S. courts to assume jurisdic-

But the main reason why the extraterritorial application of U.S. law has come to the forefront of attention recently has been its use to regulate the activities of foreign subsidiaries of American companies. The not be allowed to drift any tion of certain industries— sequence of that would be that declared has made this recompresidential order freezing further recently prompted the mainly regulated industries— the Soviets would gain a greater mendation particularly topical. Iranian funds, for example, was expressly made applicable to by an American parent.

The U.S. Government feels very strongly that it can subject foreign subsidiaries of U.S. companies to U.S. law on such matters as taxation, exchange type provides some help, but is control, banking, boycotts and

trading with the enemy. This Ditchley Foundation - whose last category, of course, main purpose is to promote includes those economic sanctions which have been—or may yet be-applied in connection with the holding of American torial Application of National hostages and the invasion of Afghanistan by the Soviet ties.

Conference

In the present political situation it seems imperative that there should be some balancing of U.S. interests on the one hand and those of its trading partners on the other whenever the U.S. courts, or the Department of Justice, consider the application of U.S. laws outside their own boundaries.

The feeling that things should

friendly relations between the a conference on the Extraterriaws Regulating Business Activi-

The meeting, attended by leading experts from both sides of the Atlantic, was chaired by Lord Diplock, one of the UK's Law Lords. It produced a number of suggestions which, if followed by governments. could somewhat ease the present difficulties.

A valuable suggestion which had the support of. American participants was that the Administration should seek con-gressional authorisation to negotiate procedures for the exemp-

from the impact of the antitrust laws. This would dispose of criminal proceedings against enterprises in these industries.

As far as private actions were concerned, it was suggested that it would help if U.S. courts were obliged to notify them to the State Department so that it could obtain information relevant for the acceptance or rejection of jurisdiction. In this connection it should be noted that the U.S. participated in the formulation of a recommendation adopted by the OECD on September 25, 1979, calling for notification, consultation and conciliation procedures when a member country investigates or prosecutes restrictive busiimportant interests of another member country.

There was general agreement about the urgent need to start was similar, there should be informal discussions between consultations governments about territorial application of U.S. law. It was felt that the problem shipping " conferences " should be the first point on the directors of the subsidiaries, as agenda, since the Soviet Union well as the effect of the prowould be the only beneficiary of the policies at present pursued by the U.S. Federal Maritime The embargo on trade with

share of cargo and thus control of high-sea shipping lanes, in addition to the Soviet Union's trans-Siberian route to the Far East. The strategic consequences of such policies could be very serious.

The conference also envisaged that an early agreement on was thought untenable that the U.S. should prosecute foreign companies for making agreements which export American companies are free to make when exporting from the U.S.

Finally, there was a wide consensus that directives given by the U.S. government to foreign subsidiaries of U.S. companies should not be in conflict with the law of the host country, and that where the policy of the host country was neither for nor against or between the before extra- governments directives were made. It was consider the legal liabilities of posed directives on trade and

by the U.S. Federal Maritime
Commission. A likely conIran which the U.S. has since
sequence of that would be that declared has made this recom-

A Division of Philips Business Systems



There's nothing complex about our word processor once you've seen what it can do.

1. Your copy typing. All typed documents from office memos to statistical tables are reproduced as top copies by the electronic. printer.

2. Your duplicating. Since it prints as many top copies as you want at 500 words a minute, there's no need to duplicate any typed material.

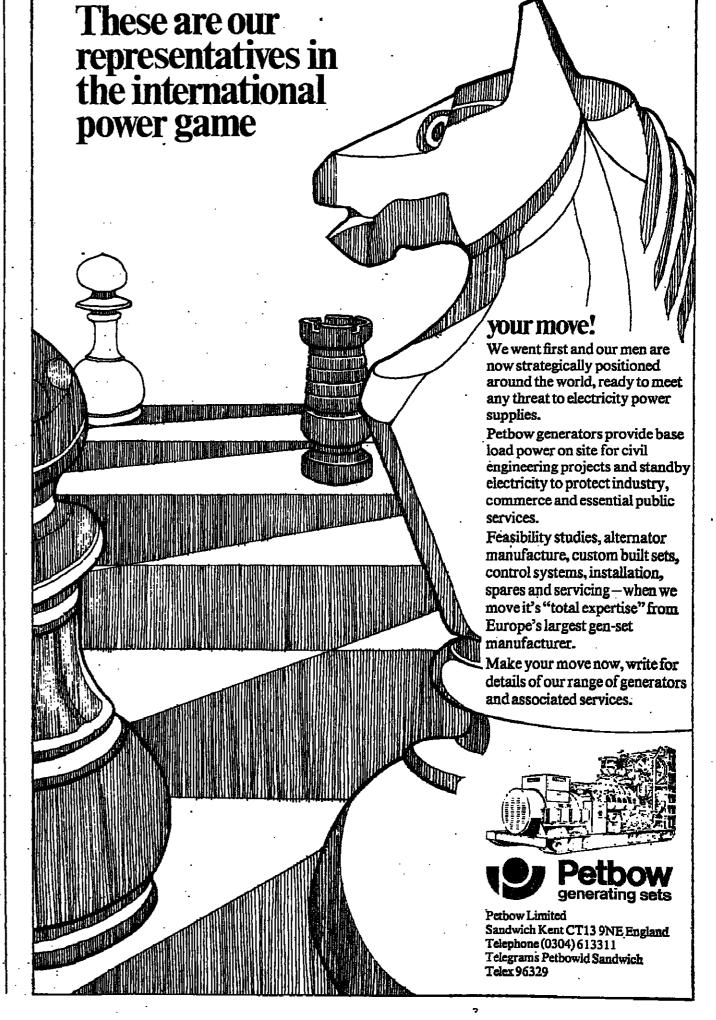
3. Your filing. Information is recorded on flexible discs which can be continuously and automatically updated.

4. Your sorting. Any list on a single page or in the whole file can be automatically rearranged according to pre-selected criteria.

5. Your text revisions. Each page of text is displayed on screen, which means it can be corrected before anything is committed to paper. Text already on file can be similarly revised.

6. Your invoicing. A special arithmetic disc turns the word processor into a calculator, so that it not only draws up financial tables but then it also adds up the figures too.

Name			WF12
Position	Company	· · · · · ·	· · ·
Address		 _	
: -	Tel No.	·	HILLP.



More economic nonsense

BY SAMUEL BRITTAN

furore created by some very disturbance levels. innocent remarks of Mr John It is this three-stage process.

Biffen indicating that there was to which Friedman referred on no fixed time lag between con- his recent visit when he spoke trol of the money supply and a of a stabilisation programme reduction in the inflation, he takin gup to five years. But it warned that the process could is important to be crystal clear take more than two years, ex- about what might happen by the actly how long depending on end of this period. Inflation many other forces including the should be back well into single speed with which wage settle figues and the transitional unments react

This restatement of wellestablished points about the control of inflation was immediately pounced upon by the whole army of politicians and commentators whose detestation of monetary policy is rivalied only by their incomprehension of it But the gossip-mongers could not make up their mind whether Mr Biffen had turned on Mrs. Thatcher's monetary policies or let some embarrassing secrets out of the bag. Both interpretations are absurd.

My own conviction of the relation between money and inflation is partly based on the inflation is partly based on merely remove una general nature of inflation and inflation can merely remove una partly on world history. It is aggravation. A fundamental cure if possible at all depends cure if possible at all depends and a truly for money functions which may or not be stable in the short conservative government ough run, or on Friedman's estimates of time lags, which are stated to be averages of different human habits.

three years as a best guess. It in monetary growth to get the is possible that I said 'Don't anti-inflationary agony over expect anything for a least quickly. I would go with them the three years did not begin for the lower end of the target with the change of Government monetary growth range—this in May, but only last November year 7 to 11 per cent—whenwhen the first misguided Budget ever the movement of marke was out of the way and the interest rates provides a ready authorities at last acted to curtail monetary growth.

Mainstream

But what exactly may happen after three years? According to mainstream money supply teaching, the first effect of monetary control shows itself in this to which the lag of two bility, we will simply have the or three years applies. The recession and transitional unthird stage arives, when as a employment without any anti-

BBC 1

* Indicates programme in black and white

6.40-7.55 am Open University

(Ultra high frequency only). 9.35 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One.

L45 The Flumps. 2.00 You and

Me. 2.14 For Schools, Colleges. 3.20 Pobol y cwm. 3.53 Regional

News for England (except London). 3.55 Play School (as BBC2

CAVE EXAMPLE of the per real money supply growth is vasive nonsense which sur-sufficient to finance a higher the discression of level of activity and unemployconomic affairs was the recent ment and output returns to pre-

> employment should have subsided, if the present strategy is observed. This wil be an im-

> There is no reason why mone tary stabilisation should pro-duce a growth or productivity miracle, or eradicate the dis-tortions and rigidities which have made for a higher level of unemployment, even in non-recession years.

Specific

Just as inflation merely aggravates a more fundamental "English sickness" a cure for on other policies; and a truly to be sceptical of how far Government action can change

periods. Various monetary writers,
One very prominent British ranging from Professor Patrick
political leader seems to recall Minford to Professor Hayek, my mentioning a period of have urged a sharper slowdown three years," But I should add at least to the extent of going

opportunity for doing so.
The sharp rise in unemployment may have a silver lining to it if it is a sign that the whole process—slump, lower inflation and then recovery—may be quicker than supposed and resemble more the German timetable of the mid-1970s than the British one of that period. But recession-as we see in the if we listen to the siren voices latest unemployment figures. and abandon the monetary The second effect is a slowing courseor - more likely - take down of price inflation-it is action which weakens its credi-

South East only).

9.25 Hong Kong Venture. 10.15 Mantovani and his Concert

6.20 Nationwide.

6.55 Daffy Duck.

8.30 Hannah.

9.00 News.

7.35 Life on Earth.

11.00 Platform One.

Sherry—its progress and problems

settled anything up to 200 years ago and basically have remained unchanged ever since; though the grapes are no longer trodden underfoot and the Old Browns and Goldens that our ancestors used to drink have now been largely turned into Creams. There is also now a discriminating export demand for the entirely dry Finos that the Jerezanos themselves drink.

In fact in the dozen years since I last visited the town there have been considerable developments both in Jerez and in sherry-making. The town has lost some of its amiable sleepiness and gained — if that be the right term — a tower-block silhouette. Its population has risen to 180,000. This growth cannot owe a great deal to wine, observed. This wil be an important gain, but not a solution intensive. In the fine new to all problems. workers are needed to look after 50,000 butts, constantly being drawn off and replenished unde the solera system.

Output rise

Other changes include an lacrease in output per aranzaua repayment (slightly larger than an acre) the fourth year. The immense from an average of 5-6 butts new bodegas for producing and (108 gallons) to 8-10, an eliminaturing all the additional wines were also bank-financed, on less generous terms. grapes on straw mats before though on less generous terms. pressing, and a growing pro-portion of the fermentation tion of the roughly 25 indepen-

illustrated by the exports, for 90 per cent of sherry is sent Bodegas Internacionales, launched a few years back by abroad. Ten years ago 700,000 the Rumasa group, which owns 16 sherry houses, including hectolitres were shipped, but by 1979 the total had reached a Williams and Humbert and record 1.52m hl: an enormous Garveys, and whose huge nonincrease for so traditional a wine faced with all sorts of traditional concrete bodega completed last year on the town outskirts is claimed to be the competition. Moreover, looking back a further 10 years, only largest of them all, holding 300,000 hl were exported in 60,000 butts under one roof. Nor have we sherry drinkers in Britain lagged behind. Although increased demand

running Pedro Domecqs acres, and in 1973 Harveys, in Gonzalez in control of Gonzalez-association with Barbadillo, the Byass, and Valdespinos and Diez in the firms bearing their its Manzanillas, bought and a of the market, last year we imported 759,000 hl, with perhaps 100,000 hl of that re-

while Harveys bought from 0,000 butts under one roof. many sources, notably Rumasa.
Otherwise, there are Domecos In 1970 Croft acquired 1,200

WINE

BY EDMUND PENNING-ROWSELL

names. That is not to say that year later began planting a some of these do not have 1,000-acre vineyard inland from bankers at their elbows, for Jerez. times are not as easy as the an actual shortage of sherry occurred in the early 1970s, out much thought as to whether the consumers would pay them. They did not and sales tumbled.

Owing to the official ban in export figures might suggest. 1975 on new planting, neither the reasons for this are property is yet completely mainly two-fold. First, when planted. But it takes eight years from planting to secure a three-year-old sherry that can expansion was over-optimistic be marketed, and n demand too rapid. The ensuing were to continue on the upward path of the last few years, the Jerez, as elsewhere, prices were could recur; particularly of the raised precipitously and withis never much surplus. And Fino can be used in cream

The second reason for con-

Meanwhile the threat of market where demand for 90 per shortage was largely behind the sherry has short up, from decision of firms like Croft and 49,000 hl in 1975 to 144,000 hl On t

per cent of all sherry is sold at this price, it is surprising that such price-cutting occurs.

Special discounts allowed for advertising may perhaps be used in this way, and shorries blended in Holland, the scene of a big sherry scandal a few years ago, may cross the German frontier. Competition is pretty fierce in the high streets of Britain, too. Higher output is also given as a reason for the ability to accept lower margins. Nevertheless, while in the last few years the volume of sherry exports has increased by 61 per cent the value by 87 per cent, consumer prices in Spain have. as in Britain, risen by almost 100 per cent; and the sherry is invoiced in pesetas. Moreover the minimum price per butt that was £150 a few years back has

So I was not too surprised to be told in Jerez that sherry had not been profitable for the last two or three years, although some houses, among them the two English companies, have been doing well. Some firms

only this Marchb een raised to

ONE IS inclined to place sherry along with port, as a wine whose methods of production were settled anything up to 200 years ago and basically have remained.

Carried out in stainless steel dent firms—out of a total of impressive compared with 1969, are still family—yet 1,260,000 hl were despatched anything up to 200 years ago and basically have remained.

Carried out in stainless steel dent firms—out of a total of impressive compared with 1969, cern is that in recent years rely for their profits on the margins have been sharply export subsidy on sherry, others around 80—are still family—yet 1,260,000 hl were despatched anything up to 200 years ago and basically have remained for 90 per cent of them within

On the face of it, the sherry Harveys to ensure their supplies last year. But the houses that producers should be entitled to by planting vineyards and set out to develop this market, raise their prices, but here in building or buying bodegas, notably Sandemans, have been Britain, far and away its largest mame of Gilbeys, had had its bodegas in Gonzalez-Byass, Consejo Regulador, and 55-60 than static, and even in the last than static, than static, and even in the last seven years the increase has only been 18 per cent, with signs of a fall-off lately. At a recent meeting in Jerez of representatives of sherry importers from all the EEC countries, the British in particular emphasised to the producers the need for careful consideration and prior consultation before further price increases.

Competitive

It cannot be denied, however. that in relation to other aperitif drinks, sherry is modestly priced. Its chief rival is probably vermouth. But agreeable though that is, it is essentially an "industrial" wine, made largely from low-quality grapes and calling for little of the skill in production, and the care, selection, maturing and blending essential to secure good sherry. For their quality and price a dry Fino in summer and

an Oloroso in winter are surely the most satisfactory introduc-tions to food and to table wines. These I will write about in a

CINEMAS

Need for change in the rules

elsewhere has lowered our share

exported, largely to America, as Bristol Cream. Direct exports from Jerez to the U.S. were a mere 38,000 hl. The No. 2

export market is Holland, with

427,000 hl, although its per

capita consumption of three litres is the highest in the

world, while ours is less than

possible? First, the vineyard area has doubled in 10 years,

and now totals 22,300 hectares.

This growth was largely financed by agricultural loans at

8 per cent for 12 years, with repayment beginning only after the fourth year. The immense

How has this expansion been

THE 1980 2,000 Guineas proved that the Jockey Club rules con- suspension than a seven-day

races of recent years. We saw an atrocious ride from the outset by a champion on a champion. The outcome reiterates the need for a change

in the rules of racing-or, at

RACING

BY DOMINIC WIGAN

worst-a stricter and more and act accordingly. uniform adherence to current

rules. There is no doubt that Paquet and Nureyev caused interference to several runnersnotably Posse - some 21

furlongs out. However, the fact remains Fact, I believe that the vast that following a 50-minute majority of racegoers would far inquiry, the 2,000 Guineas was awarded to a colt who did not stand, with Pacquet receiving deserve the spoils.

one of the most unsatisfactory cerning disqualification are ban.
races of recent years. often totally unsatisfactory, with different stewards at different meetings taking varying views concerning transgressions.

While one set of stewards may take the view that inter-ference caused in a given race was accidental and did not affect the outcome—and therefore possibly decide to let the result stand-another set in he same situation might feel bound o abide by the letter of the law

It would seem more pertinent for riders who fall foul of the law to be penalised rather than the horse or hapless owner. his trainer and stable staff. In the case of Saturday's 2.000

Guineas, awarded to Known rather have seen the result a four or five-figure fine or. result of faling inflation, the inflationary gain to show for it. The classic proved yet again equally, a considerably longer

Magnie, 5.15 Emmerdale Farm.

7.00 Survival. 7.30 The Streets of San Fran-

8.30 Only When I Laugh.

10.30 The English Garden.

11.06 Your Child and Maths.

Health Service."

11.30 Thames Debate: "Standards are Falling in the

12.15 am Close: Personal choice

with Denise Coffey.

except at the following times:

ANGLIA
1.25 pm. Anglia News. 6.00 About
Anglia. 7.00 Enterprise. 7.30 Charlie's
Angels. 11.00 Inside Business. 11.30
Rush. 12.25 am You Have 2 Minuta,
Lord?

12.30 pm George Hemilton IV. 1.20 TV Newsdesk. 5.15 Survival. 6.00 TV Today. 7.00 Emmerdale Farm.

BORDER

CHANNEL

1.20 pm Chennel Lunchtime News, What's On Where and Weather. 5.15 Belley's Bird. 6.00 Report at Siz. 7.00 Curtain Raiser. 7.05 Feature Filian. "Hijack." 10.28 Channel Late News. 11.00 Kez. 12.00 George Hamilton IV. 12.25 am Commentaires at Previsions Metaportographes.

GRAMPIAN

9.40 am First Thing. 1.20 pm North News. 6.00 North Tonight and Area Weather Forecast. 7.30 A Man Called Sloane. 11.00 Reflections. '21.05 The Tuesday Thriller: "Great Niegare." 12.20 am North Headlines.

7.20 pm Border News. 5.15 Struck. Lightning. 8.00 Lookaround Tuss-y. 7.00 Emmerdale Farm. 11.00 TV pvis; "SS Casino." 12.40 am Border

All IBA Regions as London

5.45 News.

6.00 Thames News. 6.25 Helpi

6.35 Crossroads.

9.00 Playhouse.

10.00 News.

This afternoon the Chester spring meeting opens with the Vase. In recent years the race has not had a great deal of bearing on Epsom, but the 1980 renewal could well give us

some useful pointers to the Blue Riband. It will be interesting to see how Henbit, the winner of the Sandown Classic Trial, 10 days ago, goes here. His trainer, Dick Hern, won this trial with Troy and Bustino and he also holds Henbit in high regard.

Although the Hawaii colt did not achieve a great deal when defeating Huguenot by only half a length when in receipt of 5 lbs at that Sandown event. be looked to have a good deal of improvement in him.

CHESTER 2.15-Bold Wood*** 3.15-Masked Marvel*

3.45-Henbit**

SHEH BAY. 12.10 pm Pipkins. 12.30
The Sullivans. 1.00 News, plus
FT Inlex. 1.20 Thames News. 1.30
Take the High Road. 2.90 After
Noon Plus. 2.45 Rumpole of the 1.20 pm Report West Headlines. 5.15

1.20 pm Report West Headlines. 5.75
Cartoon. 5.20 Crossroads. 6.00 Report
West. 6.30 Survival. 7.00 The Tuesday
Movie: "Operation Bullishine."
11.00 pm "The Only Way Out Is Dead"
starring Burl Ives and Sandy Dennis.
HTV Cymru/Walse—As HTV West/
HTV General Service except: 12.0012.10 pm Fielabalam. 1.20 Penewdau
Newyddion y Dydd. 1.25-1.30 Report
Walses Headlines. 4.15-4.45 Sbardun.
6.00 Y Dydd. 6.15-5.30 Report Walse.
10.30 Sywyd. 11.25-12.25 am Twist in
the Tale.

SCOTTISH 1.20 pm News and road and weather.
1:30 A Sharp Intake of Breath. 5.16
Popsye. 5.20 Crossroads. 8.00 Scotland Today. 6.30 What's Your Problem?
7.00 Take The High Road. 7.30 Chartle's
Angels. 11.00 Late Call. 11.05 Superstar Profile (Gene Wilder). 11.35
Colabetty Concert (Paul Williams).

SOUTHERN 1.20 pm Southern News. 5.16 Mr. Magoo cartoon. 5.20 Crossroads. 6.00 Day By Day. 7.00 Emmerdals Fern. 7.30 The Incredible Hulk. 17.00 Southern News Extra. 11.05 Enterprise. 11.35 George Hamilton IV.

TYNE TEES S.20 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 5.15 A Sharp Intake of Breath. 6.00 North East News Headlines. 6.02 Crossroads. 8.25 Northern Lite. 7.00 Emmardate Farm. 7.30 Charlie's Angels. 11.00 North East News. 11.02 Tuesday Morie—"Dirty Dingus Magee," starring Frank Sinetra. 12.30 am Epilogue.

ULSTER
1.20 pm Lunchtime. 4.13 Ulster
News Headlines. 5.15 Cartoon Time.
5.20 Crossroads. 6.00 Good Evening
Ulster. 7.90 Emmerdale Farm. 7.30 A
Man Called Sloans. 10.29 Ulster
Weather. 11.00 Soep. 11.30 The
Electric Theatre Show. 12.00 Bedtime.

YORKSHIRE

Archers. 7.20 Real Avidence: Britsh's electronic crime-wave. 8.05 in Touch. 8.30 Music For a Living. 9.15 Down the Garden Path. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonght. 10.30 Round Britsin Quiz. 17.00 A Book at Bedtime. 11.15 The Financial World Tonght. 11.30 Today in Parliament. 12.00 News.

OPERA & BALLET

Groep sales Box Office 179 6051.

PRINCE OF WALES THEATRE 930 8661.
Credit card bookings 930 0846. An evening with TONAMY STEELE and his company. Eygs Mon.-Thurs. 6.30. Fr. and Sat. 8.00 and 8.30. Book now.

QUEEN'S. CC. 01-734 1166. Evs. 8.00. Yed. 100. Sals. 4.30 & 8.30. Tom Courtenay. Freddia Jones The Dresser. The new play by Ronald Harwood. Directed by Michael Silvott.

RAYMOND REVUEBAR. CC. 01-734 1593
At 7.00, 9.00, 11.00 pm. Opens Suns. PAUL. RAYMOND aresents THE FESTIVAL OF EROTICA. New Acts. New Grits. New Thrills. 23rd sensational year. Fully air-conditioned.
This Theatre will be open on the day **THEATRES** ROYAL COURT. S. CC. 730 1745. HAMLET by William Shakespeare with Jonathan Pryce as Hamlet, Jill Bennett as Gertrude, Evgs. 7.30 Sharp. BOYALTY THEATRE, Kingsway WC2. 405
8004, Opens May 22 at 7,00. Reduced
price previews from May 14. Sub. Evgs.
7,30. Mats. Wed & Sat 3.00 RARNADO.
The Great British Farelly Musical with
James Smillle & Flona Fullerton teaturing
the George Mitchell Singers and his East
End Kids with great supporting cast.
Group Sales Box Office 379 605.
Advance Box Office now open 405 8004.

DUKE OF YORK'S. CC. 836 5122.
GLENDA JACKSON, ROSE A new play
by Andrew Davies, Even. 8.00. Mats.
Wed. 3.00. Sabt. 5.00.
FORTUNE. S. CC. 01-836 2338.
Even. 7.30. Wed. 2.30. Sal. 4.30 and
8.00. DR. FAUSTUS. Cas.
JAMES AUBREY and PATRICK MAGES.

ENTERTAINMENT GUIDE

COVENT GARDEN, C. S. 240 1068. (Gardencharge credit cards 836 6503.) THE ROYAL OFFER Tomor & Mon 7.30: Die Zauberdiete, SADLER'S WELLS ROYAL BALLET Pri 7.30: Compella. Sat 1,30; Grosse Foued Manufacturent

SADLER'S WELLS THEATRE EC1. 837 1672. CC 837 3856/7505. EV8S 73D. May 12 to 17 MUSIC WEEK AT THE WELLS. A series of chamber music recitals by young musicans.

CHICHESTER PESCTIVAL THEATRE 0243
761312, Season sponsored by MARTINI
& ROSSI Ltd. THE LAST OF MRS.
CHEYNEY, Evgs 7.0. Mathrees Thors &
Sats 2.0.

GARRICK, CC. 01-838 4601, Eves. 8.00 (tharp), Fri. and Sat. 5.30 and 8.30. WILLIAM FRANKLYN in DEATHTRAP.

FRID AIR ORDINARY NO DET ONT. ION PROPERTY OF TONOR 7.30, then Thurs 7.30, then Thurs 7.30, Then Thurs 7.30, 21 2.50 & 7.30. From Stratford-upon-Avon. THE MERRY WIVES OF WINDSOR. ASC also at the Warehouse and Piccallity Theatre. AMBASADORS. 01-836 1171. LOW PRICE PREVS. Ther. Fri 8 pm. Set 5 6-8. OPENS Mon 7 pm. Sobs evgs 8 (Mats True BOOK NOW! MARGARET LOCKWOOD. 2.45 from 20 May!, Sets 5 6 8. POLLY JAMES in MOTHER DEAR. A new play by Royce Ryton.

1.20 pm Westward News Heedlines.
5.12 Gus Honeybun's Birthdeys. 5.15
Bailey's Bird. 5.00 Westward Diary.
7.00 Currain Reiser. 7.05 TV Movie:
"Hijack." 30.28 Westward Late News.
11.00 Kaz. 12.00 George Hemilton IV.
12.25 am Faith for Life. 12.30 West
Country westher and Shipping forecast.

11.55 am The Bubblies 1.20 pm Calendar News. 3.45 Calendar Tues-day. 5.15 Father, Dear Father. 6.00 Calendar (Emlay Moor and Belmont additions). 7.00 Emmerdale Farm. 7.30 Charlie's Angels. 11.00 The Tuesday Night Film: "Fragment of Fear."

WRITEHALL THEATRE. 930 7765. CC.
Reduced price previews May 8, 9. Special Preview May 10. OPENS May 12. Paul Raymond presents FIONA RICKHMOND and a Bedhil of Beauties in WOT? NO PYJAMAS Resturies Men Only Megazine? Sensitional Playmates of the Year. Mon.-Thus. 8.20. Fri. 6 Sat. 6.15 & 6.25. Advance Box Office Open. Tals. Theatre will be open on the day of Shame May 14.

WYNDHAM'S 5, 01-836 3028, CC bkps. 379 6565. Tickets only £1.80-64.80, Evgs. 8.00, Prl. and Sat. 6,00 and 8,40. Bet 2nd Braces in ACCIDENTAL DEATH OF AN ANARCHIST,

E.S. THE LORD OF THE RINGS (A), Sep Perfs. 2.00, 5.00, 8.00. CURZON, Curzon Street W1 499 3737. GET OUT YOUR HANDKERCHIEF (X). English subtitle, Prog. at 1.45 (not Sur) 3.55. 6.70 and 6.30. "Oscar Award for Best Foreign Plim." DDEON HAYMARKET, (930 2738-2771) SUPERMAN—THE MOVIE (A). Sep. perts 1.35. 4.45, 8.00.

booked in advance,

PRINCE CHARLES, Leic, Sq. 437 8187 Exclusive Limited Engagement RUDE 803 (X). Sep. Peris, 12.00, 2.43, 5.55, 8.45 (Fri. Sat. San 12.20, 2.43, 5.55, 8.45 Lee Show 77.20), Seats Bitche, Le'd Bar From Tours May 8, World Premier Presentation HUSSY OL. Box Office Oper—Book Now!

STUDIO 1 & S. Oxford Circus, 437 3500 Lic'd Bar, 1: "10" (X). Props, 12.30, 2.45, 5.25, 8.05, Late Show Sat. 11.00 3: THE DEER HUNTER (X), 12.45, 4.05 7.30, Late Show Sat. 10.50.

ART GALLERIES

FINE ART SOCIETY, 148. New Bond St. W1. 01-629 5116. EILEEN HOGAN ROWSE AND DARBY, 19, Cork Street W1. 01-734 7984. JOAN EARDLEY Paintings and Drawings. Until 24 May MRCOLA JACOBS GALLERY, 9, Cork St. London, Wi. Mal.i MORRIS, paintings, Until 10 May. 437 3668.

THE PARKER GALLERY, 2, Albemaric Street, Piccachly, W. Ediphtica of Old Marine, Military and Sporting and Topographical Prins and Spaintings and Spins Models. MALL GALLERIES, The Mail, SW1, Paint-logs by DAVID DONALDGON, Mon.-Fri. 10-5, Ssc. 10-1, Closed 3 May). Until 14 1May. Adm. Fron.

CLUBS

GARGOYLE, 69. Dean Screet, London. W1.
NEW STRIPTEASE FLOORSHOW
11-2.30 COSE ENCOUNTERS
11-2.30 am. Shows at Middler and 1 am.
Mon. Fri. Closed Saturdays. 01-437 6455. Medicari, whose securors because of EVE has outlived the others because of policy of fair play and value for mone street on 10-3.30 am. Disco and it mesicians. Siamorous hostesses, exit floopshows. 189, Rogent St. 734 955

12.50

23.00

17.00

15.00 19.50

THE ART SOCIETY, 145, New Bond St. W1, 01-629 5116, BRITISH ART

Commercial and Industrial Property Residential Property

Contracts and Tenders Book Publishers

(Minimum size 30 column cms) \$2.00 per single column em extra \$2.00 per single column em extra

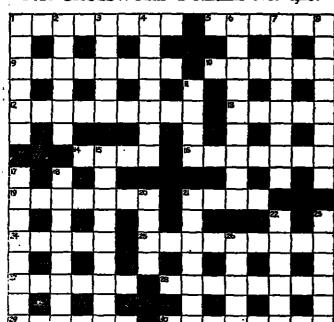
single

Appointments
Business and Invesment Opportunities. Corporation Loans, Production Capaciti, Business for Sale/Wanted

Classified Advertisement Manager Financial Times, 10, Cannon Street, EC4P 4BY

F.T. CROSSWORD PUZZLE No. 4,267

Pugwash.



ACROSS 1 Transfer dance and game (8) 1 Strive to lift pole in extreme 5 Pole in shoot in the

season (6)

front of bill (6) 12 Always pleased with Eastern

13 Musical composition for one in book (5)

16 Let this become a national emblem (7)

21 Plant when put back is found under boat (4)

27 Wearing not so much in 22 Fish around in the end (6) 24? (6)

28 Cutting to listen to in chant

DOWN happiness (6) 2 That which gives strength is never right inside (6)

3 Living person (5) 4 Idler is to lounge about a thoroughfare (7) 6 Sorrowful lamentation

have to follow (9)

for a chant (8) 8 One who strangles fish and carnivore (8) 14 Drop she drank initially (4) 11 Gamble about Pole being morally crooked (4)

> 15 Just one sharpener (4-5) poster outside (8) 18 Hastened around fool and

annoyed (8) 20 Spaniard and District Attorney depart (4) right? (7)

23 Power of crew from the west 26 Former performance that is precise (5)

The solution to last Saturday's

11.00 am). 4.20 Lassie. 4.40 The 11.30 Weather/Regional News. Perils of Penelope Pitstop. 5.00
John Craven's Newsround. 5.10
Think of a Number. 5.35 Captain

Cymru/Wales—10.38-10.58 am I Ysgolion, 5.10-5.40 pm Bilidow-car, 5.55-6.20 Wales Today, 7.05-Railey, 3.45 The Allan Stewart 7.35 Heddiw, 11.30 News and Tapes, 4.15 Pop Gospel, 4.45

5.55 Nationwide (London and Weather for Wales. Scotland-12.40-12.45 pm The 7.05 Sykes (London and South East only).

Scotiand—12.29-12.35 Jun And Scotiand 7.05-7.25 Sykes (as London and South East). 11.00 Current Account. 11.30 News and Weather for Scotland. Northern Ireland-10.38-10.58 am For Schools (Ulster in Focus). 3.53-3.55 Northern Ireland News. 5.55-6.20 Scene Around Six. 7.05-7.35 Hello Sun-

shine, 11.30 News and Weather for Northern Ireland. England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look Northwest (Manchester); Midlands west (Manchester); midiands
Today (Birmingham); Points
West (Bristol); South Today
(Southampton); Spotlight South
West (Plymouth), 7.05-7.35 East
(Norwich) Quidnunc; Midlands (Birmingham) Jack Ashley (a portrait); North (Leeds) Rock Athlete; North East (eNcastle) Coals from Newcastle; North West (Manchester) Contrasts; South (Southampton) The Gat-

aways; South West (Plymouth) According to Hoyle; West

(Bristol) Razzmatazz. BBC 2 6.49-7.55 am Open University. 11.00 Play School.

2.00 pm Racing from Chester. 4.50 Open University. 4.50 Open Oniversity.
6.55 The Great Egg Race.
7.25 Mid-Evening News.
7.35 The Past at Work.
8.00 The Scientists.
8.25 The Philpott File: Inside a Multinational.

9.00 A question of Guilt. 9.30 The Enigma Files. 10.20 Top Gear. 10.45 Newsnight. The Old Grey Whistle

Test. LONDON 9.30 am Schools Programmes.
11.55 The Undersea Adventures of Captain Nemo. 12.00 Cockle6.00 Granada Reports. 6.30 Emmerdale

RADIO 1

David Hamilton (S). 2.03 Ed Stawert's Request Show (S) including Racing from Chester. 4.03 Much More Music (S), 5.00 News. 5.05 Weggoners Walk. 5.20 Much More Music (S). 6.03 John Dunn (S). 8.02 John Buchanen with André Charlot on Broadway. 9.02 Glamorous Nights (S). 9.55 Sports Desk. 10.02 The American Way of Laughs. 11.02 Pater Clayton with Rouad Midnight, including 12.00 News and 12.05 Sports Desk. 2.02-5.00 You and the Night and the Music (S).

\$5.55 am Weather. 7.00 News. 7.05 Overture (\$). 8.00 News. 8.05 Morning Concert (\$). 9.00 News. 9.05 This Week's Composer: Grieg (\$). 9.45 Seathoven cello and pieno recital (\$). 10.25 Music of the Golden Age (\$). 11.20 Clernet and Plano recital (\$). 11.55 BBC Welsh Symphony Orchestra (\$). 1.00 pm News. 1.05

Six Continents, 1.25 John McCabe piano recital (5), 2,20 Chamber Music and Songs, concert, pert 1 (5), 3.05 Interval Reading, 3.10 Concert, part 2, 3.55 Vyacheslev Ovchinikov: Symphony No. 1 (5), 4.25 Jazz Today (5), 4.55 News, 5.00 Mainly for Pleasure (5) (4 and mono only from 6.20), 7.00 Czech Philihermonic Orchestra (5), 4.07 The Epolish Aves (5), 8.00 Czech Philhermonic Orchestra (S).
7.40 The English Ayre (S). 8.00
"Edea Scores on Chrystel Jed" by
Hugh Douglas (s and b). Robert Burns
makes a tour of the Scottish Border
country. 9.15 The Plano Music of
Busoni (S). 10.00 Music in Our Time
(S). 11.00-11.06 News.
VNF Only—8.00-7.00 am and 6.20-7.00
pm Open University.

RADIO 4
6.00 am News Briefing. 6.10 Ferming Today. 6.25 Shipping forecast. 6.30 Today. 8.45 Bad Weather by Chekhov. 9.00 News. 9.05 Tuasday Call. 10.00 News. 10.05 Medicine Now. 10.00 Daily Service. 10.45 Story Time. 11.00 News. 11.05 Thirty-Minuta Theatra. 11.35 Widdlife. 12.00 News. 12.02 You and Yours. 12.20 Down Your Way. 12.56 Weather; programme news. 1.00 The World At One. 1.40 The Archars. 1.55 Shipping Iorecast. 2.00 News. 2.02 Woman's Industrial Theatra 1.30 Shipping Iorecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 2.02 Woman's Short Story. 5.00 PM. News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Wrinkles (S). 7.00 News. 7.05 The

BBC Radio London

8.00 am AM with Bob Holness and Dougles Cemeron. 10.00 Brian Hayes. 12.00 LBC Reports. 8.00 pm Jazz After Eight—Keith Howell. 9.00 Nightlins: Financial Editor Dougles Mofits devises on starting your own business. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 5.00 Morning Music.

Capital Katio
6.00 am Graham Dene's Breakfast
Show (\$). 9.00 Mike Smith (\$). 12.00
Dave Cash (\$). 1.00 pm London Today
First Report (\$). 1.70 Dave Cash (continued). 3.00 Roger Scott (\$). 7.00
London Today (\$). 7.30 Adrian Love's
Open Line (\$). 9.00 Nicky Horne's
"Your Mother Wouldn't Like it (\$).
11.00 Today Myett's Late Show (\$). 2.00 am Night Right (\$).

4.30.

HAYMARKET. CC. 01-930 9832. Evol.

7.45. Nod. 2-30. Set. 4-30 8-30.

150NARO ROSSITER.

150NARO ROSSI BLAKEMORE.
HER MAJESTY'S THEATRE 01-93D 6606
Keith Michell. Julia McKenzie. Mark
Wynter. Ann Beach in the Awardwinning Broodway Musical ON THE 2016
CENTURY. Evs. 5.00. Matiness Weds.
5.00. Sat. 4.00.
Now Booking Until Christmas. KINGS HEAD. 01-225 1918, Prey Ton' Onr 7, Show 8 (opens Tomor Onr 6... Show 7.30). QUARTET by Ronald Mayor SNOW 7-501. QUARTET by Ronald Mayor.
LYRIC HAMMERSMITH. 01-741 2311.
W. End Box Office 110 Charing X Rd.
Eves 7-30. Thur Mat 2-50 Sats 5 6 8-15.
Noci Coward's HAY FEVER Cast includes
COWARDS CHIMINITY FOR SAT SAT
LYRIC STUDIO; Ends Saff Eves 8. Sat
8-30. THE DEVIL HIMSELF Wedekind
dapted by Peter Barnes. A revse on art.
marger, politics. lust and love.
13-17 May. Eves 8. Sat 8-30 MIKE
WESTBROOK BAND. WEST END THEATRE CC. 01-437 JSSS. Grp. Sales 378 6061. Evgs. 8,00. Wedt. 3.00. Sales 300 and 3.00. RICHARD ENTES. PAUL. EDDINGTON IN MIDDLE AGE SPREAD. COMEDY OF THE YEAR. WEST END THEATRE AWARDS. 2252.

OLIVIER (open stage): Last 3 peris, Ton't
7.30. Tomor 2.45 (low price men) 6 7.30
AS YOU LIKE IT by Shakespeare.
LYTTELTON (procedum stage): Ton't
7.45 WHEN WE ARE MARRIED by J. B.
Prostley.

Storey.

Excellent cheap seats from 10 am day of Aerl. 3/ 3 theatres. Car park. Restaurant 928 2033. Credit card blogs. 928 3032.

OLD VIC. 928 7615. National Schudent Drama Festival 20th April-10th May 1980. Tonight Tuesday 6 May. at 7.30 KNUCKLE DT David Hare. Seats 52-63. Students \$1.75.

GREENWICH THEATRE S. CC. 858 7755. Evening: 6.00. Mars. Sat. 2.30. NEXT TIME I'LL SING TO YOU by James Saunders.

ATIONAL THEATRE. S. CC bkgs. 928

COTTESLOE (small andtorium)—all ikts.
£3. Student standby £1.20). Ten't Temer.
8.00 EARLY DAYS, a new play by David

ASSISTED SON UNICE ROW Open AUS SUCIA.
SAVOY THEATRE. 01-836 8868. CC
836 8118 (Mon.-Fri. 10-6). LESLIE
PHILIPS, JUNE WHITFIELD. SYLVIA
SYMS and ANDREW SACHS MOT NOW
DARLING, Mon. & Thurs. 8.00. Fri. and
Sat. 5.45 and 8.45. Red. price Fri. mat.
Group bigs. 893 3092. SHAW, 01-388 1394, Reduce Price Pre Tonight 7.30. All seats £1.50, Opens Tonorrow 7.00, Subs. eves 7.30. PYGMALION with PAULA WILCOX and DONALD PICKERING.

DONALD PICKERING.

ST. GEORGE'S THEATRE. Turnell Park.

NT. Opens May 12 at 7 pm., BOOK,
NOW. MACKETN. Therestret Tues-Sat
7.20, 24-hr booking 507 1128.

ST. MARTIN'S. CC. 836 1433. Ergs. 8.
Mediner Tues. 2 2.45. S71. 5 6
Agatha Christie's This Molisetrap.
World's longest-eve Rus. 2281 Year.

STRAND. 01-836 2660. Evenless 8.00.
Mais. Thurs. 3.00. Set. 8.30 and 8.30.
LONGEST RUNNING COMEDY IN THE
BRITISH. Directed by Allan Davis, Credit
Cases of 1-836 445. Group sales Box
Office 01-379 6061. STRATFORD-UPON-AVON. Royal Shake-psare Theatre (1789) 292271. Tickets immediately available for RSC in AS YOU LIKE IT coulent tomor. May 10 (mat). ROMBO AND JULIET May 8 /maz & evel, 9, 10. Recorded booking into (0789) 69191. GS191.

TALK OF THE TOWN. D1-736 5051.

AIR CONDITIONING. CREDIT CARDS.
LONDON'S GREATEST NIGHT OUT.

From 8 0'clock Dining and Danciogs.

9.30 SUPER REVUE BUBBLY and in
Cabaret at 11: ANIA HARRIS. Cabert at 11: ANIA HABRIS.

VAUDEWILLE S. CC. 01-836 9988.

Grossies 379 6061. Ers 60. Set 5.30

and 648. Jed. Met. 2.45. IAN OGILVY.

SHELLA GISH. JAMES COSSINS IN

STAGE STRUCK. A new thriller by

Sitton Gray.

WINDMILL CC. 01-457 5312. Twice nightly at 4,00 and 10.00. Suns. 6.00 and 8.00. Paul Raymond presents RIP OFF, Hotter than ever for 1950. The profit great year.

CLASSIFIED ADVERTISEMENT RATES

6.00 3.50 Education, Personal, Gardening Motors Cars 3.50 Hotels and Travel

For further details write to:

9 Dismantled rifle in aid of landing-ground (8) 10 One who takes cover in

leader in large shallow lake

19 Coached to spread for dry- 17 Punctilous person ing without wet weather (7)

24 Caught girl in form (5) IS Rumour from wine supplier 21 Hide the French articles,

29 Flush the German steering apparatus (6)

30 Hook a note (8)

prize puzzle will be given with

names of winners next Saturday

(S) Stereophonic broadcast
#Medium wave
(b) Binsural broadcast
5.00 am As Radio 2, 7.00 Dave Las
Travis. 9.00 Simon Bates. 11.31 Paul
Burnett. 2.00 pm Andy Peeblas. 4.31
Kid Jensen. 7.00 Personal Call. 8.00
Mike Raed. 9.50 Newsbest. 10.00
John Peel (S). 12.00-5.00 am As 7 Put into neat arrangement RADIO 2 RADIO Z
5.00 am News Summary. 5.03 Ray
Moore (5). 7.32 Terry Wogan (5).
10.03 Jimmy Young (\$). 12.03 pm
David Hamilton (\$). 2.03 Ed Sowert's
Chow (\$) including Racing

RADIO 4

5.00 am As Radio 2, 6.30 Rush Hour.
10.03 The Robbie Vincent Telephone
Programme. 1.03 pm London Live.
4.30 London News Desk. 5.35 Look,
Stop, Listen. 7.03 Black Londoners.
8.00 Question Time from the House of nong. 9.00-5.00 am Join Radi London Broadcasting

London Galleries

Figuring out abstract art by WILLIAM PACKER

fact: for figurative art was never choice. chievous fiction, one all too reflection and consolidation, lively to obscure the true and artists themselves have been recent events. Certainly there side of their own positions than

The Great Figurative Revival have been changes of emphasis desperately ahead or behind. Courbet's in the centre of his Sainsbury Centre, Norwich) I of recent years, from which and attitude, but the Issues that One marked effect of this has Atelier. those who disapprove of abstract confront artists now are nrot, art have taken a certain amount nor have they been for a long of heart, has little substance in time, of confrontation and stark

moribund, nor even remotely in What has happened is that as danger, and to suppose it was the pace of modernist experiis to mis-read the nature not mentation has slackened, so the only of Modernism and all its narrow authority of the avant works, but of figurative art garde has been broken down. itself. It is, moreover, a mis. In this subsequent period of somewhat subtler narrative of more inclined to look to either

been that a great many abstract painters have begun to allow palpably associative and atmospheric elements, sometimes even the distinct possibility of external reference, to creep back into their work, qualifying and questioning their established formal preoccupations and justifications. Painting once more is able to be concerned quite unself-consciously with something other than itself. John Walker's work over the

ast two or three years clearly demonstrates the point, indeed goes on to show that even the most open figuration need be no betrayal of abstract principles, that the artist is quite free to come and go as he pleases. When first he began to reintroduce figurative elements into the paintings, he kept the reference simple, flat an delose to the surface. The Balcony motif made suitable sidelong genufication towards Goya, Manet and Matisse, for example, but the space it inferred remained shallow and unspecific, while its own decorative tracery remained but one more formal element at the artist's disposal

But now Walker has committed himself whole-heartedly to the deep pictorial space, in habited admittedly by ambiguous and indeterminate objects, but thoroughly credible, and which all the formal devices, that in the abstract works closed off the space to re-assert the surface, now serve to confirm and emphasise. The large rectangular shape that re-occurs so frequently, flat on and so close to the pictureplane, becomes a kind of shutter throwing it back, draws the eye past itself into the space beyond: which is, of course, just one side of "Las Meninas," and Liverpool and then on to the tion.

This is precisely the sense we get with Walker's consciously ambitious paintings: of the artist working directly from his immediate practical situation. It is a long and honourable tradition which, in his idiosyncratic and generalised fashion, he continues most creditably. The second batch of these paintings remain at Nigel Greenwood (41 Sloane Gardens S.W.1) until May 17.

Joan Eardley (Browse and Darby until May 24) died in 1963 at the age of 43. Had she lived she would surely have confirmed berself by now as an artist of great power and dis-tinction. The evidence of the work itself suggests that she too might have moved easily towards abstraction, and just as easily withdrawn should that have been necessary to the work. For all their superficial Walker's fall happily together, the richness of paint and surface, the energy and assurance that inform the statement, and the grand simplicity of the imagery, all these qualities are common to them both.

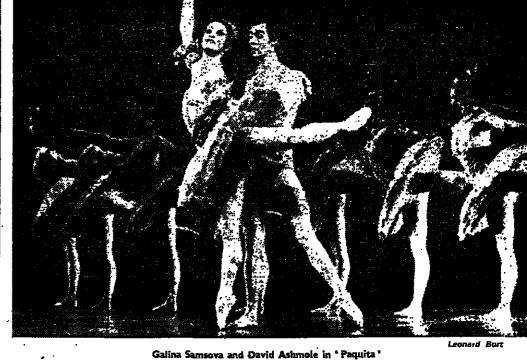
This exhibition celebrates her great promise; and if the paintings, the landscapes in particlar, are a little frustrating, itching as they are to be opened up on the largest scale, as they would have been, I am sure, the drawings reveal one of the best British draughtsmen in a long time. Indeed, her swift and certain Expressionist.

reviewed at some length earlier in the year. There seems little point in rehearsing those remarks, but two further events make some comment necessary. Pasmore is in some respects a typical figure of the English art establishment, a serious artist and extremely influential teacher, whose credentials yet seem weightier than his actual work.

His conversion to abstraction just after the war made him notorious, and though that work seems unexceptionable enough now, it still servies to exaggerate the distinction of his earlier Euston Road figure painting in many minds. There is no doubting the seriousness and probity of his intentions, but his early and more rigorous construtictivisb has long since drifted into an easier, decorative approach.

The amorphic often vaguely sexual and visceral imagery of these past 20 years, judiciously pointed, is inoffensive and accessible, enough to satisfy the mildest and most uncertain taste. The show now at Mariborough Fine Art througout May) makes the point.

But the show also marks the publication of the full Catalogue Raisonné (Thames and Hudson: 343 pp; 249 plates-51 colour: 6/6 cat. illus; £55), with texts by Alan Bowness and Luigi Lambertini. It certainly does Pasmore proud, an ex-haustive review of a life's work, line, and instinctive command of beautifully presented; and if beautifully presented; and if doubts exist about his final best company, with Degas, for example, and Sickert, whose humane concerns she shares, and Notice that the standing, there can be no doubt of his scope, energy and application. An artist's importance or stage-flat which, far from and Nolde, the romantic does not rest necessarily upon absolute success; and Pasmore' Finally ,a word about Victor achievement, though flawed, Pasmore, whose Arts Council remains admirable, the book an what Velasquez' canvas does at touring retrospective (now in appropriately generous celebra-



وكدامنالكمل

Covent Garden

Paquita/Playground

by CLEMENT CRISP

has come tot he Royal Opera ances during the next two ranged portrayal.
weeks. The visit began on Audiences may rah League of Health and

Playground is MacMillan's dramatic scena for dancers, set in an asylum, and pitched from the very first on a note of high nervous tension. The action is of unrelieved, haunting sadness, with mental disturbance presented in what seems a naturalistic language, but one only possible for dancers to use. In its black, anguished way Playground is cathatic: the rite finished, we are released. Performances by the SWRB artists kova as its star.) are sure, carefully detailed.

Sadler's Wells Royal Ballet première in Edinburgh, but I Petipa as makes little difference, recognise the power of his and are given with the first House for a séries of perform- present more obviously de- happy promise of real bravura. weeks. The visit began on Audiences may be distressed over-stretched, but Paquita Friday night with the regret- by Playground—though it is invites brillionce, and Samsova

repertory, this spring, and most welcome. A version of the celebated Grand Pas which Petipa concocted a century ago and interpolated into a Romantic extravaganza about the Peninsular War, it is revised by Galina Samsova from her memories of the staging she knew in Kiev. (I have reported on the magnificence of this choreographic gem in the Kirov repertory, most recently in a Paris showing, with the celstial Chenchi-

Every praise to Samsova as culminating moment when she opulent gold-swagged set by preferred the cool, menacing and a conscation of mock and in this case, radiant. To reading he gave at the ballet's Spanish steps, that look as near be savoured—like Paquita itself.

Certain dancers may yet be table Grosse Fuge by Hans van hardly more extreme than the has already managed to banish Manen, which I thin kof as a dis-final scene in Rake's Progress— some of the primness and dry play by the Sodom and Gomor- yet it is impossible to ignore academism that is the curse of its force, or the tight-knit English classic dancing. Her Beauty, but progressed to identification between dance young artists use space; arms serious matters with Playground and Gordon Crosse's taut score. and trunks have opened out to and Paquita.

Paquita is new to the SWRB the choreography; positions look nuanced, rich in contraposto; the dance moves.

There are four beautiful variations for first soloists, in which I especially liked Sherilyn Kennedy. She fluffed a step or two, but movement rang out clear and joyous, and herl ine and the bright pulse to her danc-ing were admirable. Ashmole was in brave and unfussed form. racing through a coda in which there seems not even a breath between bursts of pyrotechnics. Samsova showed what is truly meant by the word "ballerina." marion Tail is unpearably sad producer, coach, and ballerina The generosity of her manner, as the epilectic heroine, and the for this production. In an its broad sweep and air of culminating manner, when the formula of the control unhurried ease, its absence of smears away the make-up Peter Farmer, Samsova and mannerism-physical or psychodaubed on her face is authentic David Ashmole — the only man logical—are required study. The tragedy. Desmond Kelly is involved—lead 14 soloists in a classic dance is nobly there: again the dangerous intruder. I cascade of entrées, variations, grand, harmonious, thrilling,

Elizabeth Hall

Boy in frayed jersey and overalls, by Joan Eardley

The second secon

ALLERIES

grades of the second

-

7. 14 15 3. 17 2 3.

Music for the Wedding of the Sun King

by RONALD CRICHTON

English Bach Festival gave a married to La bellezza (Beauty), concert performance of Cavalli's Deianira being apparently dismissioned from the Venetian Teresa interpreted the denounc-Cavalli for the wedding in 1660 ment. of Louis XIV of France with Cavalli's music flows with the Infanta Maria Teresa. Pre-delightful ease, the grateful sumably to placate the anti-vocal writing instantly respon-tializan faction, the authorities sive to the Italian words, changalso commissioned ballet intering from mood to mood and than one role. ludes in the French taste from rhythm to rhythm with an For Lully in the king's favourite composer adroitness Massenet was to Lully, a Florentine by birth macth in French declamation but long resident in France and two centuries later—but in soon to become naturalised. Cavalli's day opera was still new Since the new theatre in the while Massenet had behind him Tuileries was not ready, the a long tradition (largely estab-production was postponed until lished in fact by Lully). Michel 1662, by which time Cardinal Corboz directed the EER Chorus Mazarin, champion of the Italian and Baroque Orchestra. The

style, was dead. The scanty information that a small continuo including harphas survived suggests that the second lute, organ and hop, opera was a failure while the applied the colours with discreballet interludes were a success. tion. The lute playing if Nigel Yet on Sunday Cavalli's Ercole North gase especial pleasure. amunic came up fresh as a The chorus clearly found their daisy, while Lully's contribu-varied, constantly effective tion, presented by itself in the music as singable as the soloists evening as Hercule amoureux, at did theirs. least in the guise we heard it. For the soloists Miss Lalandi nothing to blench at, and a often become, seemed mostly dead stuff. had mustered an imposing body great deal to admire. He is a His bold at Though the usually information. Though the usually informative of mainly young British talent 27-year-old Cypriot with some B minor Sonata was, I thought, tive EBF programme said with a visitor in the person of unspecified Russian background, triumphant. Apart from the pothing and Michael Trimbull. nothing, and Michael Turnbull, the Danish bass, Ulrick Cold, who gave a useful talk in the Herculean in height if not in Purcell Room between the two performances, did not make the role with unfailing musician-matter entirely clear, it appears ship but directing his tone down that the court poet Benserade at his copy, not out at us. Iole

But the tale is not very subtly physically feel, the shape of a

On Sunday afternoon, the Hercules, who in heaven is Ercole amunie, the opera com- carded. One wonders how Maria

edition by Luciano Sgrizzi, using

vocal weight, singing the title was responsible for the ballet and Hyllus were Lynda Russell and a hectically fast Presto. scenarios, and one Buti for the and Keith Lewis, the latter in particularly good voice, singing the story of Hercules, his wife of Act 4 from memory, and Deianira and his son Hyllus, the heavens! what a difference that story of preludes and fugues from the beginning the began with thoughtful, strongly sustained performances of preludes and fugues from

vehement, commanding Juno, from the harpsichord by John represented here (for diplo- Toll. Comparative results did matic reasons) as a much more not suggest that a full-time sympathetic character than conductor is an unnecessary Peter Hall and John Tomlinson

usual. Lesley Garrett's lively, luxury. On stage the EBF Very probably these dances chattering page made one regret Dancers, choreographed by heard in context would work the boy's early disappearance. Michael Holmes and costumed well enough. Played on end Ann Mackay, Rosemary Hardy, by Derek West, went through they made Spartan entertain-Michael Holmes and costumed well enough. Played on end filled in valuably, often in more Lully music as has survived was distraction of nodding plumes than one role.

Lully music as has survived was distraction of nodding plumes played straight through with and scarlet cloaks. There is For Lully in the evening a different contingent of the EBF given with two or three dancers expect from a composer himself Baroque Orchestra, now seated holding a pose, some with an on stalls level, was directed empty stage.

Elizabeth Hali

Nicolas Economou

by DAVID MURRAY

Economou's piano recital on Thursday promised something of a wild man, an importunate of Beethoven were made daredevil, and one went in sharply etched miniatures, not trepidation. In fact there was and a technique of extra-ordinary security. He plays with urgent spontacity, but that incurred nothing more extravagant than a rather fast Allegro for Haydn's late E-flat Sonata and a hectically fast Presto.

Delanira and his son Hyllus, the heavens! what a difference that strongly sustained performances of preludes and fugues from the Princess Iole, the hero's The Delanira of Della Jones Bach's "48," treated as honest death from the garment smeared was eloquent and touching—piano music without antiquarian with the blood of a centaur. Miss Jones can make one almost resonances. The Haydu Sonata piano music without antiquarian was delivered with big, unforced slanted towards the glory of vocal line even when she does tone—for all Economou's power Louis XIV. Juno, deteating to pitch every note quite h enever seems to bang—and Venus, obtains immortality for accurately. Linda Finnie was a impassioned conviction; one

The publicity for Mr. began to think he might be right about his speed for the Allegro. The op. 126 Bagatelles the spectral afterthoughts they

His bold attacks on Liszt's

sensational piano-playing, with some hair-raising speeds solidly held, the essential dramatic continuity of the work was seized whole-heartedly—it is full of dangerous transitions, and Economou found a perfectly convincing treatment for every one, to the vast benefit of the whole Sonata. Overwhelming climaxes were carried by the confident scale of the reading. If self-conscious study had gone into it, that wasn't to be detected anywhere—it all had the rin gof immediate musical feeling. "Excesses" there may be in Economou's work: would that more pianists were capable

their period paces. Such of the ment even with the occasional one interval. Some pieces were the rhythmic interest one would Festival Hall /Radio 3 an expert dancer, but little of the sensuous warmth to be found in his vocal writing. When Ann Mackay, with beguiling sweetness, sang the number called "Concert de Veus " everything sprang to life. There was a large, appreciative audience.

Revivals of Lully in other

places have shown him as a

thorough professional quite able

to look after himself even today.

Shaftesbury re-opens in September

The Shafesbury Theatre, closed for some time and with reopen in September with a Cooney is to present They're by Neil Simon, the music by Marvin Hamlisch, who was responsible for Chorus Line, and the lyrics by Carole Bayer

The stars for the West End production in what is basically a two-hander are Tom Conti and

vear.

doubts about its future, is to Broadway hit musical. Ray Playing our Song, with the book

last heard the orchestra under Zubin Mehta; this concert was a belated introduction to the now entered upon its second

From this evidence we may fairly infer that he has groomed the players into an amenable, spirited spirited and accomplished ensemble of not quite front rank. The strength lies in the strings. The first sentences of Mahler's Tenth Symphony Adagio showed an impressively lithe, evenly surveyed viola line; violins struck into their pathos-laden arches with an urgently muscular attack; the solo cello was both poetic and purposefully

Friday evening signalled the if not of character, to the full was isolated to the side of the start of a four-week tour by the orchestral sonority; and a platform, rather like the side-Los Angeles Philharmonic. We general criticism of Friday's drummer in Wielsen's Friedland performances - quite possibly the effect of an unfamiliar and its previous chief conductor, acoustically by no means welcoming auditorium—had to be a shortage of soft playing; only

Los Angeles Philharmonic

by MAX LOPPERT

régime of Carlo Maria Giulini, in the Éroica Schetzo did the music-making at last attempt to venture beyond the middle-toloud dynamic range. The concert, full of enjoyable and musicianly things, was not quite the occasion promised. As brought with it the pleasure of hearing the music lyrically phrased, each curve moulded with a paternal affection, each department invited in turn to sing its music rather than

Giulini's Beethoven mindlessly hammer it out. The tended to draw attention to necessary touch of grit, who themselves by slightly uncom- look forward to symphonic look forward to symphonic fortable means (in the Eroica conflagration during its course Genima Craven. They're Playing our Song opens in a refurbushed Shaftesbury on Septembushed Shaftesbury on Septembu a want of roundness and depth, dissatisfactions. (The timpanist Symphonies.

Symphony; surely he needs to play a more centrally supportive role in the building of the structure.)

The Mahler Adagio had been no less lovingly proposed, but in a way that worked to the full glory of the music - Mahler's painful bitter-sweetness emerges unfettered when not wrenched out of the players, when his lyrical inspiration is given ardent expression. If after this reading we did not feel (as Michael Kennedy suggests we should) that "all the European music of the 1920s seems to be stirring in the womb of the movement." Giulini encouraged opening, patiently initiated at us to take a look backwards a much-moderated allegro con a no less moving manner of understated. The blend of wood- brio, immediately summed up experiencing Mahler's music, wind tone was not altogether the style. For those who prefer The only trouble was that one smooth, and individual members their Eroicas marked by a wanted more—knowledge of the sion of the symphony now leaves a residual impatience with its second Festival Hall concert. on May 25, the orchestra plays the Jupiter and Pathetic

INTERNATIONAL SELECTION BY TREVOR BAREY

Greenwood has the easier choice

RON GREENWOOD has named ' to field a powerful testa.

our Football League clubs have winning the Schweppes Chambeen dominating Continental football. Nottingham Forest, the holders, are again in the European Cup Final, while Arsenal, have reached the final of the Cup Winners Cup after a

memorable performance in Italy. The Italian metch was really more impressive than Arsenal's persistence in evecoming Liver-

pool in the FA semi-final saga. Although Liverpool, Arsenal. Nottingbam Forest and Ipswich rely considerably on non-English players there is sufficient home talent to provide a highly competent and professional international side, possibly even a

In sharp contrast, England's. cricket selectors have a difficult other a probable, are Gooch and job finding an 11 capable of Tavare, who have begun withstanding the West Indies, impressively inevitably. Boycott withstanding the West Indies, even though the tourists' per-formance and behaviour in New Zeeland indicates that it is not

already among the wickets. They are a formidable opening pair This is hardly surprising as and could well play a part in pionship for Middlesex.

> Kirsten and Wright recently enjoyed a highly productive partnership of 321. Turner exposed the frailty of the Gloucester bowling with a double century, and Miandad has brought stability to Glamorgan's batting and has already averted one collapse.

The common factor about these feats is that they have been achieved by players unqualified for our national exceptions our home products hav emade a less spectacular start to the summer.

Two batsmen-one a certainty for the England team and the has followed up hours of intense application in the nets with some run rewarding sessions in

A cursory look at individual In the past, when life was less make or the wickets they take. a strong squad of 27 for the performances to date, illustrates complicated and international Everybody knows that Wright, Home Internationals. Francis the problems facing Alec Bedser players not involved in seven Howarth, Gavaskar, Boycott, and Mills are missing through and Company. Daniel van der different variations of the game, injury but he will still be able Bill and Wayne Daniel are Gooch would now be well on his finishe close to be to contain the problems facing Alec Bedser players not involved in seven Howarth, Gavaskar, Boycott, and Wayne Daniel are Gooch would now be well on his finishe close to be to contain the problems facing Alec Bedser players not involved in seven Howarth, Gavaskar, Boycott, and Company. different variations of the game, Turner, Miandad and Lamb will way to the target of a thousand runs in May.

However, his fine form is good news for England, as a leading when selectors are that comes from runs rather against the West Indies who is like a successful poacher in football requires the confidence that comes from goals.

Other possible contenders for could well include Rose, who scored a match-winning century on Sunday, the conscientious Lumb and the elegant Woolmer.

It is interesting to note that all three as well as Boycott and Gooch, are openers. The reason is that in an era of so much limited overs cricket, number one is obviously the most propitious place to bat, as one can always afford to have a careful look at the bowling and adjust to the pitch, even on Sunday

afternoon scrambles. There never has been a problem in chosing outstandbowlers. ing batsmen and because over a time they will

finishe close to hte top of their county's batting averages at the end of this season.

However, figurfes can be misbatsman needs the confidence forced to choose a batsman no more than a good county performer, and lacks true international class. In that situation, a batting

England places and batting average of 50-bolstered by big scores against for example, the universities Northants, Gloucester and Hampshire could well mean less than an average of 38 which included runs aganist Middlesex, Notts, Sussex or Surrey, who all possessed formidable pace

Our selectors need to find

two, possibly three batsmen capbowlers scent fear as eagerly and so devastating for an stand out through the runs they as dogs a bitch on heat.

TENNIS. BY JOHN BARRETT

Records set in week of contrast

TWO EVENTS last week, of In Dallas, Texas, the tenth

World Championship of Tennis finals were staged with their customary sleek professionalism in a new home-the \$25m Reunion Arena-and in front of a capacity crowd of 17,500.

There, Jimmy Connors became only the second man to win two WCT titles (the other was Ken Rosewall in 1971 and 1972) when he scored a 2—6. 7—6, 6—1, 6—2 win against John CcEnroe, the title-holder and the man who has replaced him as the U.S. No. 1.

It took Connors two hours 50 minutes to wrest the title from Complex. the player who had beaten him in both the Dallas and U.S. Open semi-finals last year. As able of scoring centuries so often it was the tie-break against quality pace bowling that proved decisive. Once supported by briliant filelding. Connors had captured it by They will be looking for players | seven points to four to level the with the ability to play straigt, match he began to hit those possess the right temperament full-blooded, punishing drives and are not frightened. Fast that are so excting to watch opponent.

By the end connors was payvastly different status and ing exery bit as well as in his of between 500 and 1,000 at the capacity audiences and on the separated by 8,500 miles, each golden year of 1974, when he mid-week sessions there was a first day of this year's Cup as world No. 1.

Last week's \$100,000 first prize was the last thing he was thinking about. He was really out to prove that he can still beat McEnroe on the big occasion. He achieved this magnificently but has yet to prove that he can master the current world champion Bjorn Bork who was not at Dallas.

records. The eight-man field, divided into two round-robin groups, was playing on a court laid over an ice rink at the Al Nast Leisureland Sporting

ground technically and with the high local humidity there were early problems with condensation on the synthetic carpet ATP computer ranking.

Careful juggling with the adjustment of the humidity level solved the riddle in the nick of time.

in their own way, contributed won the Wimbledon and U.S. complete sellout for Saturday's vesterday the 6,500 capacity greatly to the growth of tennis. titles and ended the year ranked final between Britain's Mark centre court was sold out to Cox and the left-handed French No. 2 Patrice Dominguez,

After respectable attendances

Even more encouraging was Dominguez 6-3 6-4 to claim the first prize of \$12,000. It proved that there is a market for professional tennis almost anywhere in the world provided that the package is correct.

another WCT special event, the former home of the U.S. Open, the European season begins with the Nations Cup.

Gathered in Dusseldorf this week are the eight leading Higueras and Fernando Luna nations according to the points standing of their players on the

temperature balance between and Sweden. In the other group tennis calendar. ice, floor surface and air, and with the home country, West Next week we Germany, are Argentina, Czechoslovakia and last year's Argentina, finalists Italy.

watch Sweden playing Australia. When Borg defeated the Australian No. 1 John Alexanthe volume of applause for der 7-6 6-2 in the opening almost every rally as Cox beat rubber a Swedish victory was virtually assured. In the second single, Lief

Johansson made a fine start against the Australian No. 2 Phil Dent by taking the first set without losing a game and Far away in Dubai, the BP While Connors and McEnroe he went on to complete his Dubai Classic was also setting journey north to New York for victory 6—0 7—5. The U.S. beat Spain 3-0,

Tournament of Champions at with Harold Solomon winning the Forest Hills Stadium, the 6—4 6—4 against the Spanish No. 1, Manuel Orantes, Gene Mayer defeating Jose Higueras 6-3 6-4, and Mayer and Sherwood Stewart beating

The Nations Cup, like the

Dallas and Dubai tournaments. In one group with the holders has shown that there is a place Australia, are the U.S., Spain for events of all kinds in the Next week we return to the

traditional championship format with the German Open in Hamburg

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY Telegrams: Finantimo, London PS4. Telex: \$954871, \$83897 Telephone: 01-248 3000

Tuesday May 6 1980

A policy for **British Steel**

Mr. Ian MacGregor's appointment to British Steel fades away, they can withdraw from the scene and let the new chairman get on with the job. If so, ferred into positive are mistaken. British steel is in the midst of a commercial and financial crisis an enormous investment in new which has been aggravated but bulk steel-making facilities over not caused by the three-month the past few years. Is it right strike. How much of the Cor- that these investments should poration survives the next few years depends as much on dence that other European government policy as on the countries, fhose steel industries skills of Mr. MacGregor. It is are also making large losses, are not enough for Ministers to say that only those parts of the business will remain which can become commercially self-supporting. That certainly is crucial decisions which the or most of its bulk steel from Government cannot evade con- distant countries, rich in raw cern the timetable for achieving viability and the amount of financial support which will be made available in the meantime.

interference. In the early 1970s forecasts which proved wildly inflation; yet in foreign currency main European rivals. Because steel is an internationally-traded commodity which is highly price-sensitive, it is peculiarly vulnerable to the effects of an over-valued exchange rate.

demand for steel appears to be Although a good deal of older plant has been shut down (and output per man has risen as a result), capacity is still out of internal line with the market. The immediate to 15m tonnes by the end of this productivity of some 50,000 jobs.

that British Steel must live with Government to establish in the very near future-even reasonable timescale.

MINISTERS may think that, if this leads to the demise of a once the row over the terms of large part of the UK's steelthat resources should be transferred into products of higher

> Yet the taxpaper has financed be discarded? There is no eviplanning to abandon the sector. On the contrary, even the West German Government is supporting it with subsidies. There is no realistic prospect that Western Europe can obtain all or most of its bulk steel from materials, such as Brazil or Australia. Steel, as long as it is efficient, should be a viable business for the advanced industrial countries.

The right course for the Many of British Steel's prob-lems since nationalisation have up a programme which, without stemmed from internal weak- relaxing financial disciplines. nesses of from Government gives the management a chance to steer the Corporation through it launched a capital spending the present crisis. Bulk steel programme based on demand making may need to be concentrated on fewer sites. Some of optimistic. But over the past the newest units, designed for 18 months British Steel has been an annual capacity of over 30m hit by a combination of external tonnes are inappropriate for the factors which have had a crip-smaller and more flexible indus-pling effect on profitability, try, which is now needed. But if pling effect on profitability. try, which is now needed. But if Market pressures have held steel British Steel is to make the best prices well below the rate of UK use of its modern iron- and steelmaking facilities further new terms British steel has been investment will be needed at the more expensive than that of its finishing end, especially in continuous casting.

Looking ahead

Such investment only makes sense if the Government wants or to see an internationally com-on top of this, domestic petitive steel industry capable of supplying the bulk of the declining more rapidly than domestic market. That involves anyone expected a year ago. looking further ahead than the looking further ahead than the next one or two years. Clearly a great deal depends on Mr. MacGregor's ability to raise efficiency; immediate tasks are to simplify present management wants to the structure of the Corporation cut capacity from 21.5m tonnes an dto carry through the local to 15m tonnes by the end of this productivity improvements year; this would involve the loss which were agreed in principle. when the strike was settled. But The Government could decide the first requirement is for the the high exchange rate as best realistic set of objectives which it can and that financial targets will permit a well managed must be set in a way which British Steel Corporation to compel a return to break-even return to viability within a

A new phase in Greece

period of unnatural political calm in Greece. Civil wars uneasy conservatism, turbulence and dictatorship have constituted the painful history of modern Greece. But since the Colonels' junta fell in 1974 a fresh page has been turned.

It is a page on which the name of Mr. Constantine Karamanlis is writ large. In the past six years he has ensured that next January Greece will become the tenth member of the EEC. He has seen through the process by which Greeks buriedfinally, it seems—the fratricidal issue of whether their country should remain a men country snould remain a monarchy. And he has introduced a new constitution, with a potentially influential Presidency.

Striking career

For the past five years this post has been filled by his devoted admirer, Mr. Constanthe 300 votes necessary for him to 1 ake over.

It is, may would argue, a fitting culmination to a striking career. In the early 1950s he had been an effective Minister of Public Works. He was a sur-prise choice of the Palace to become Prime Minister, and he held that post, with a diminishing vote, until 1963. He then spent a decade in self-imposed exile in Paris, returning the night the junta fell to a

rapturous welcome. He did well in eliminating a junta which still plotted to criticises the EEC. And he has return. Since then the army has been kept out of politics and built up to defend Greece against the perceived threat from Turkey. The island prison camps have been closed, political life liberalised and the in the 1950s and are with him songs of Mikis Theodorakis are back on the radio. Also, fair elections have been held.

Inevitably some of the expectations vested in Mr. Karamanlis

YESTERDAY could mark the 1974, where inflation is now around 25 per cent, and where the balance-of-payments deficit is soaring. Unemployment may be admirably low and growth have been rates well above the OECD average, but he and his seemed to be sure of their poli

> Abroad he has had a marked sucess in stressing Gree's links with Europe—thereby slightly reduing his ountry's dependent on its speial relationship with the U.S., whih was riitised for its support fo rthe junta and failure to prevent the Colonels' coup in Cyprus and subsequent Turkish intervention. He has also brought detente to the Balkans, with improved rela-tions iwth Bulgaria to some extent easing anxieties over a

post-Tito Yugoslavia.

But the Cyprus problem remains unresolved. Further, and more important for both the Greeks and NATO, Athens is still enmeshed in a dispute with Ankara over the Aegean. This devoted admirer, Mr. Constan-tine Tsatsos. Yesterday, Mr. is weakening the Alliance since Karamanlis, who is aged 73, was able to obtain the three-fifths of the 300 votes necessary for him wing of NATO.

Quest for change

Most telling is that he has done little to satisfy the widespread calls for modernising Greece's antiquoated social fabric and for opening the door to a younger generation.

The one constant of Greek

politics is the quest for change, Andreas Papandreou, however enigmatic a personality now embodies this quest. He opposes Greek mebership of NATO and undoubtedly narrowed the gap between his party and that of Mr. Karamanlis.

The next Prime Minister is likely to be one of the men who were with Mr. Karamanlis today. But none has the electoral appeal of Mr. Karamanlis and all will find Mr. Papandreou a tough adversary.

Mr. Papandreou threatens to have been dashed. His manner undo the knots with West -aloof, rarely attending Parlia- Europe for which Mr. Karamanment and never giving a Press lis would have history remember conference—means that he him. The elections to the inspires respect rather than Presidency, have gone smoothly. The general election, to be held with an economy where invest- within 18 months may well ment has never picked up since generate more excitement.

FINANCIALTIMES | Roche without Valium: an end to the 'beautiful times'

By SUE CAMERON, Chemicals Correspondent

Swiss-based pharmaceuticals group, is slowly recovering from the effects of a massive overdose

Valium started out as an im-portant scientific breakthrough and proceeded to become one of the biggest successes the drug industry has ever seen. It catapulted Roche—then a solid but decidedly middle-ranking company—to the top of the pharmaceutical first division. At one point the tranquilliser accounted for some 60 per cent of the group's total drug sales of SwFr 2.525bn (£668m).

Roche, in its own words, became "unstoppable." But today what it nostalgically refers " the beautiful times " are over. Valium is reaching the protected life and it now pro-vides only 25 per cent of Roche's pharmaceutical sales. The blessings the drug has conferred on Roche have been mixed. Past progts from Valium are playing a major part in financing the group's current pharmaceutical research programme — and research is the lifeblood of any innovative drug company. But Valium has also left Hoffmann-La Roche with a decidedly tarnished public image. It has been widely accused at being over-priced and over-prescribed, the latter criticism coming from some doctors.

The tranquilliser has been recently criticised by the UK Committee for the Review of Medicines as being ineffective after four months, a criticism



which is expected to cause a drop in British sales of Valium. Roche claims that headlinehitting attacks on Valium have been triggered off chiefly by governmental greed. It says that governments pay the lion's share of health care bills in most western European countries and Valium's commercial success therefore made it a prime target

The drug's very success has created other, more serious problems for Roche. All pharmaceutical companies expect to see a fall in sales when the patents on a particular produce start to expire but Valium contributed so much to Roche decline must inevitably leave a gap in the group's overall drug with a number of other leading business. with a number of other leading drug companies such as the

income of SwFr 201.2m. based Merck, is taking disease
Roche's present position is
much like that of a film star
safter an enforced "rest." Actorsgroup's scientists are investiwho can no longer command gating disease processes— demands of national govern-cancer would add 1.5 years to eminently reasonable there are imitated by billing tend to seek new studying the cellular mechanents. Roche estimates that the average life span whereas signs that the scientists at Basle said a scripts and to diversify into misms of the body with a view about 40 per cent of its inno-a cure for heart disease would will fight hard to maintain their panies autobiographical writing or film to manipulating them in the vative research spending goes add a full 15 years. Yet it is present aloofness from the lands direction. Roche, which believes cause of health. Pharmaceu- on projects which use the new the search for a cancer cure company. They are satisfied run.

tree during the next four or five years, is also planning a

The sure-fire method for improving profits and prestige as Roche's own experience has shown — is to come up with another scientific and commercial breakthrough. The group says that all drug companies need one or two trump cards in the pack" and this is one reason why it is making a substantial commitment to new research methods. The traditional way of dis-

covering a new drug is to screen thousands of different chemical compounds to see if any of them are likely to be useful as medicines. A promising compound might be tested for use against arthritis and if the results are negative researchers may perhaps see if it has any impact on heart conditions or on the central nervous system. The vast majority of com-

pounds that are tested are rejected at an early stage usually because they are totally ineffective rather than because they are injurious to man and beast. This whole approach to research is sometimes knownaptly enough - as molecular the launch of Valium. roulette. But now Roche, in common

Group sales (drugs and other products) totalled SwFr 4.844bn (£1.274bn) in 1978, with a net income of SwFr 201.2m.

Group sales (drugs and other German-based Hoechst, the U.S.-based Eli Lilly, the Swiss-based Merck, is taking disease

it will be able to climb back tical man is aping nature—and techniques while the other 60 which generates the to the top of the pharmaceutical with increasing promise of

> Roche believes it "must be among the top half dozen companies using the latest biotechnology." It says it now has a "handful of products" that are being developed with the aid of new research techniques although all of them are at least three or four years away from a marketing launch. The first product to go on

> sale is expected to be a heart drug although Roche is also using the new tecniques in the field of inflammatory diseases such as arthritis. The company points out that it already has a "better choice of cardio-vascular drugs than we have ever had before" and adds that we would be unlucky if we didn't manage to come up with something in the heart disease

Roche seems to be keeping its fingers crossesd that any new medicine which is developed using biotechnology will not be given the kind of publicity which accompanied



a drug that "tames tigers." around SwFr 700m (£183m) on pharmaceutical research each year. Only some 50 per cent of this is spent on innovative research—the rest goes on toxicological testing and on meeting the various regulatory demands of national governments. People estimates that

per cent is devoted to more traditional programmes. The new research techniques

development of Tigasone, a drug for the treatment of skin diseases which Roche is planning to launch this year. Roche has not abandoned the traditional screening chemical compounds. It says there is room for improving screening methods and it will continue to use the mfor many

years to come. But it adds that increasingly loaded in favour developing new drugs has been made possible by a series of Bokanovsky twins by 1984?—advances in more fundamental are cut short by an academic scientific research. Roche has discussion of ethics. contributed to these financially

through the Institute for Immunology at Basle in Switzerland and the Roche Institute of Molecular Biology at Nutley, New Jersey in the Both institutes are funded by

Roche but they operate independently of the companywhich means Roche has no monopoly on their basic the two—far from it—but it research findings. Academic says it would like to see independence is most marked greater dialogue between its at the Basle institute which own researchers and the insti- for purchases.

cave almost proudly—if with a tute scientists. Roche stresses It believes its overall developpopular newspaper stated in says almost proudly—if with a tute scientists. Roche stresses large black type that this was touch of definance—that "we that its proposals will not drug that "tames tigers." are not really contributing undermine the institute's inde-

excitement among the public and in the medical world. There are more scientists living off cancer today than have played some part in the there are people dying from it,"

its research budget will be tute's recent annual reports

Roche itself attaches great value to the research done by the institute but it is now beginning to feel that academic independence can be taken to

It is planning to strengthen the ties between the Basle institute and its own commercial research department. The com-Scientists at the Basle insti- links between its own scientists

he commented drily.

Much of the basic research work carried out at the Basle institute is devoted to studying the "complementary antibodies which are created against any substance which goes into the body." Scientists there have managed to clone antibodies and the cover of one of the instibore a stunning photograph of of biotechnology. 10 cloned frogs. Lay questions The use of biotechnology in about the possibilities of 10 cloned frogs. Lay questions cloning human

the point of absurdity.

eminently reasonable there are imitations. Many of them are signs that the scientists at Basle said to be made by Italian com-will fight hard to maintain their panies which export them to present aloofness from the lands where patent laws do not

with the tsatus quo and they say firmly that they are not in the business of research directed to commercial ends. One of the developments that has come from biotechnologyunderpinned by more fundamental research—is interferon, a natural protein that helps to regualte the body's own immune defences. Roche is looking at interferon—as are some of its major competitors. But the company believes synthetic interferon may first be used not as a human drug but for the "vaccination" of plants against

The commercial implications of protecting plants in this way would be considerable — the need for traditional crop spraying would disappear. And Roche is now taking an interest in agrochemicals albeit on a small scale as yet.

The group's pharmaceutical operations account for 48 per cent of its total business while vitamins and fine chemicals account for 29 per cent, scents and flavourings for 12 per cent and other, smaller divisions such as cosmetics, diagnostics and agrochemicals, for 11 per cent. But Roche is now trying to broaden its product range and diversify within the broad field of health care. The development of an agro-chemicals business is one of the options open to it.

But the group is also putting considerable effort into its vitamins operation. It expects the vitamins market to grow at the rate of around 5 per cent a year over the next five years and it is carrying out research in this field. It is building a new vitamin C plant at Dalry in Scotland and

says it is planning its invest-



ments in vitamins to take full advantage of the market as it expands. It is also doing it best to encourage the market to grow. At present it is using much of its research evidence to try to persuade Europeans to develop the same enthusiasm for vitamins either " neat " or added to foods—as the Americans have.

As part of its health care diversification pany does not intend to merge Roche is also keeping a weather the two-far from it-but it eye open for suitable acquisitions although it stresses that it is not on a desperate hunt

ment programme will bring in profits than in the days when Valium was at the height of its

Coming home

to winter Christopher Castleman, Hill

Samuel's home-grown whizz kid, spent the Bank Holiday in a more salubrious place than most -" in the Seychelles or Mauritius," according to his office in Johannesburg yesterday, 'having Cynics in the City might feel

that he will need to relax a little before he contemplates the full implications of his new job as deputy chief executive of the none-too-sparkling Hill Samuel group. He returns to London in the autumn, and can expect to take over the helm of Hill Samuel within the next four years. "I'm 56 and I'd hope that he would take over from me before I come up to retire at 60," the present chief

tells me.
Castleman, who is only 39, joined what was then M. Samuel in 1963 armed with a First in Law from Cambridge; he worked his way up via the corporate finance department, the Austra-lian subsidiary—at present Hill Samuel's most successful overseas operation—and now Hill Samuel South Africa, where he is managing director. One of his achievements there has been to divest the subsidiary of its property interests, which are to be liquidated.

He was covered in glory during the Australian Stock Market boom and subsequent erash, of 1969-70. "He managed uot to lose us any money," says
Clark succinctly. In one
account of the boom. Castleman
is described as "perhaps the
most capable of all the overseas

incomparison of the boom castleman
is described as "perhaps the
counter of a Co-op in Newcastle
upon Tyne, Woods is being

merchant bankers who arrived in Australia in the late 1960s." approaching crash of Mineral Securities, a go-go investment group with which Hill Samuel was closely involved.

His two-year term in South Africa, new drawing to a close has, according to Clark, greatly improved its profits. One can only hope that Castle-

white hope for which Hill Samuel seems to have been searching for so long. "He is searching for so long. very bright and very nice," says Sir Robert. These two qualities, available in some quantity to Hill Samuel, do not as it seems, to have done must good in the last few years.

Action replay

International readers may be unaware that they alone were able to read my daring revelations last week about the Forestry Commission; the Forestry Commission, the Houston wardrobe engineer. the Canadian racket of insuring dogs and then squashing them, anad much else besides.

Sadly none of this hot news reached Britain, where certain local difficulties affected proexecutive, Sir Robert Clark, duction. Among the lost words was a note concerning the Leeds based clothing company W. L. Pawson I have been asked to point out that the Boar dhas not, as I may have implied, been worried about a number of recent executive departures. Managing director Stanley Wootliff assures me Pawson's future is bright, and he wishes his ex-employees well in their new rag trade and footwear venture.

Tea time

"A last fling" is how James Woods-who must be a con-tender for the Grocer of the Year award—describes his new

either modest or shortsighted about taking over what some Specifically, he is given credit consider the toughest job in U.S. for seeing before anyone else retailing. As chairman of the Great Atlantic and Pacific Tea Company (the famous A and P). his task is to turn round one of the longest-lived problem children in American business. The company reported \$13.5m losses in the final quarter of last make a loss like that, I sug-year, suggesting once and for gested to Tony Richmonds, a



decessor, Jonathon Scott, was more successful in reducing sales than losses. Over five years, Scott more than halved the number off stores; however, A and P still counts as the country's third largest food retailer. A nearly protege of Sir James Goldsmith. Woods was for five years chairman of Cavenham Foods' U.S. supermarket chain. Grand Union, where he doubled sales to \$3bn and opened over 300 new stores: shares in A and P rose 16 per cent on the news that Woods was taking over the \$400,000-a-year job of running pleasingly far cry from selling quarter pounds of Typhoo in Newcastle.

3rd time unlucky I note that the Sheffield Fiesta,

the self-styled "No 1 Night Club in Europe," has just disappeared down the tubes in a fairly spectacular way. The Sheffield Fiesta Club Ltd... which traded for precisely 32 weeks, shows a deficiency of rather more than £500,000. To make a loss like that, I sugall that the heavily publicised partner in joint liquidators retrenchment plan of his pre- Peat Marwick, you really have

Not at all that hard, he thinks. The trading losses work out at £150,000, the difference between the cost and the realisable value of the fixtures and fittings, another £130,000. Another £200,000-odd disappears down a hole labelled 'termination costs," which in-cludes payments to the artistes to go away. The affairs of the lcub are thoroughly tangled; Richmon foresees a long haul.
"It's the third it's gone bust since 1970," he tells me wearily.

Taking the tablets What medical precautions should British businessmen, or indeed anyone else, take before going to Zimbabwe? Just try

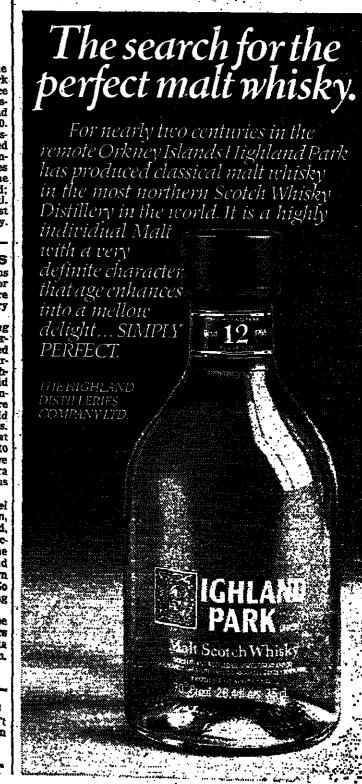
and find out.

An acquaintance heading south was told by British Airways to have himself vaccinated against smallpox. British Airways Medical Centre at Heathrow, on the other hand, said he should go as he was, un-punctured. BA Medical Centre in Victoria suggested typhold injections and malaria tablets. The Commonwealth Secretariat We send more people to Zimbabwe than anyone so we should know"), said Cholera and typhoid injections plus malaria taolets.

Confused, he tried his tarvel agent. A more cautious man, he advised smallpox, typhoid, vellow fever and cholera injections, plus malaria tablets. The local medical centre said he did not need anything; his own doctor said malaria tablets. So did the BA officer representing Air Zimbabwe.

By this time the would-be traveller had less than 24 hours to go, and opted for the malaria tablets and a does of optimism. I hope he comes back.

Turning the knife Overheard: "Of course I didn't talk to her, Edith—I didn't even ignore her."



Finance and Investment in the U.S.

America will tend to become increasingly inward-looking as the months preceding this year's Presidential election pass by. Decisions about the direction of the economy may thus become secondary to political considerations. In all, the financial sector, already hedged by uncertainty, faces a difficult period.

Doubts in an election year

By Stewart Fleming

NOT SINCE the 1930s have the economic problems facing the U.S. seemed so intractable and the nation's political capacity for dealing with them so open

Today, as President Carter's four-year term of office moves towards its end the realisation is growing that his Administration has made almost no progress in solving the fundamental weaknesses which have begun to flaw the country's productive machinery.

Time -magazine last month carried the headline "Is Capitalism Working" over a report which focussed on the U.S.

come to late to help Mr. outlook is for a sec Kennedy. But they are grimly cessive decline in rea aware that any Republican this year as the econor challenger stands an excellent at alst, into recession. chance of making the charge of economic mis-management stick no matter what other brick-

What is happening is that the illusion of prosperity which has accompanied the four-year economic upswing in the U.S. which began in 1975 is being swept away. That apparent prosperity was founded not on rising productivity but a steady and pronounced growth in the U.S. labour force, mainly through the addition of more female workers, and on an ex-

These forces, abetted by last year's renewed surge in world rate in 1976 to an annual rate of over 18.2 per cent in the first quarter of this year.

cratic Party's nomination in the forthcoming election, is at least beginning to see the economic leaving them to face the reselt; that for almost e decade now President's advisers real living standards in the U.S. believe this change of mood has have stagnated. The immediate outlook is for a second successive decline in real income this year as the economy slides

Already the moves to control credit have virtually halted -no matter what other brick-bats are around in October to throw at Mr. Carter, the pre-sumed Democratic Presidential attention in 1978 to try and protect it from cyclical decline is now headed for its worst recession since World War II. Credite urbs threaten to pitch the U.S. motor industry into just as severe a slump.

Weakness

Unemployment has begun to rise above the 6 per cent level where it had been stuck for over a year. And crucially, employment is beginning to drop quite sharply. Thus for the first time in the Carter Administration ordinary Americans are beginning to feel the impact of oil prices and the de-control of economic weakness on their oil prices in the U.S., have daily lives. Their chances of launched the U.S. inflation rate losing their jobs are increasing from a tolerable 4.8 per cent and their ability to escape from declining living standards by borrowing has been compro-

economy. Even Senator Edward The steps that have had to be At such economic turning Kennedy, in his challenge to taken to try and curb the infla-points it is easy to be blinded the President for the Demo-tionary spiral have begun to by the gloom on the horizon, so

CONTENTS

Economy and inflation	n	Equities	VII
The dollar	Ш	Commodities	VII
Central bank	Ш	Banking	VIII
Foreign investment	īV	Energy	VIII
Land purchases	IV	Financial futures	X
Small companies	V	Industrial earnings	X
Productivity	· V	Unions	XI
Wall Street	VI	Regulation	XII
Bond market	VI.	Leisure field	XII
-	•		

a number of qualifications need to be inserted at the outset. The first, of course, is that while certain sectors of the U.S. economy are in dismal shape, partly because of short-sighted decision-making—the steel and car industries, for example—the U.S. industrial landscape still provides a generally impressive launching pad for a recovery in the nation's industrial fortunes once a consensus emerges about the need to tackle the weaknesses which are becoming so evident.

The problem, of course, is that it is hard to see that consensus emerging or to see the intellectual framwork being presented on which practical decisions could be based. There today' " supply side "

policies such as tax cuts and business de-regulation, aimed at stimulating productivity and investment Such ideas may have a part to play. But the problems already go much deeper than the simple solution of giving corporate America its head which seems to lie behind this prescription.

Indeed, it is quite remarkable how quickly an inflationary psychology has taken root in the U.S. Whereas in 1973-74 when inflation accelerated into double digits (for a relatively brief period) Americans increased their savings, this time savings have been run down to historically low levels as a "spend decisions could be based. There today" mentality has taken is much talk about the merits root. It is hard not to suspect economic that when credit becomes avail-

duals auxious to protect their interest rate data. savings from inflation.

The financial markets are already in the process of adjusting to expectations of a protracted period of high inflation, at best not far below double figures. This in itself will make it harder for businessmen to justify new productive investment-especially if they share the view expressed by Professor Paul Samuelson: "The U.S. Paul Samuelson: economy still has the potential for positive growth. As a realist I doubt we shall live up to that potential between now

The picture is not uniformly depressing. Apart from the underlying strength of the industrial structure it is evident that the country is beginning to make important inroads into one of its most vexing economic and strategic weaknesses, the domestic energy problem.

It has taken the best part of a decade, but after a succession brave struggles President Carter has succeeded in exer-cising the influence of his office and securing from a bickering and blinkered Congress legislation which already shows signs of reducing the growth of oil imports.

This victory is, in the short term, having an adverse impact only teenagers.

able again investment in on consumer price inflation data housing and property will again which is in any case heavily programmes are beginning to become a top priority for indivi- biased upwards by misleading

> It's significance however lies partly in the prospect it holds out of some loosening of the umbilical cord tying the U.S. and its dollar to the fortunes of a potentially unstable part of the world, but also in the evidence of the potential of the control of the cord. dence it provides that for all the weakening of the Presidency which followed in the wake of powers which remain can prevail when applied with enough determination.

The financial markets must hope that a similar commitment will be brought by the next President, whether Mr. Carter or his Republican rival, to curb

Disillusioned

There need be no illusions however about the difficulties of implementing such a commit-ment. Already there are reports of welfare rolls swelled by dis-illusioned retired people who have swallowed their pride and sought the support of food stamps to eke out their fixed incomes. The recession appears to be getting underway at a time when already in the nation's ghettos black male unemployment ranges from 11½ to 37.9 per cent depending on whether you count all males or

Cities, municipalities and aid feel the pinch of fiscal restraint. This time around is may not be only Washington's coffers which are locked (at least while budget-cutting is the prevailing mood) but also the municipal bond markets, which no longer provide the attractive alternative they once did.

So far the U.S. has avoided a wages explosion and a significant heightening of social tensions as a result of inflation. But the odds are shortening against such an event and the difficulties it would pose for balancing the competing political pressures which would result in Washington while trying to maintain an antiinflationary commitment.

What now seems unavoidable, however, is a heightening of political tensions as the unequal burden inflation throws on different interest groups becomes more apparent. The emerging challenge for Washington will be to balance these competing political pressures over a period of years while maintaining an antiinflationary commitment and and the slow economic growth which will accompany it. Given America's history of material prosperity, and the emphasis at all levels on growth and success, it is hard to overestimate the difficulty of achieving such an objective.

How to convince your boss that the company's new plant should be in Florida.

Selling your boss on a Florida location could be a real challenge. Chances are, he thinks of us as the "fun in the sun" state, a land of gotf courses and citrus groves, not profitable business and industrial sites. And that kind of thinking can cloud your company's view of opportunity.

So, we offer some facts about Florida that may surprise even you. Because they represent the extras that business enjoys here, we call them "bonus points."

Bonus #1 Florida's wage earners get to

keep more of what they earn. Florida's per capita state taxes are 12th lowest in the U.S. There's no personal income tax. And, when Money magazine cited the nation's top 10 job growth markets, Florida cities ranked first and second lowest in cost of living.

Florida's businesses get to keep more of what they earn. Business taxes stay low in a state with other revenue sources, like Florida's 35.5 million annual visitors.

Bonus #2

The corporate income tax is just 5%, with an exemption and no surcharge. Between 1972 and 1977, per capita state and local tax increases were fourth lowest in the country. Bonus #3

Florida's government thinks like business.

Last year, the state legislature enacted a 15% reduction in workers' compensation premiums. In 1978, they killed the sales tax on equip-



ment for new industry. The year before, the inventory tax rate was cut by 60%.

Bonus #4 Florida's education and vocational training work for business.

Nine state colleges and universities, 78 private accredited colleges and 28 community colleges put higher education—including postgraduate and professional level study—within every Floridian's geographic reach. And 42 vocational training centers respond to local industries' needs, assuring availability of skilled labor.

Bonus #5 Florida has 15,000 manufacturing plants and gained 144,000 new jobs last year.

It's a big market, with the support services you need. No other southeastern state has as many manufacturing plants. And Florida leads the region in retail sales, accounting for almost 25% of the Southeast's total. Bonus #6

Florida recorded \$13 billion worth of international trade in 1979.

Florida has three foreign trade zones. Twenty-six banks offer international

service. One city is home to 15 Edge

Act corporations. Another hosts Latin American offices of more than 100 multinational firms. As an emerging international trade center; Florida links your business to opportunities in Japan, Europe, Canada and Latin America.

Bonus #7 Florida has excellent air and water transportation facilities. Our famous coastline boasts 27 ports,

including 14 deep water facilities. Among the advantages of our six international airports are nonstop flights to Europe, South America and major U.S. cities. Good surface transport completes the package.

Bonus #8 Florida has the affordable energy you need.

Our energy supply meets the needs of both people and industry at competitive rates. A moderate climate keeps the cost of electricity down, below the U.S. average for large industrial users last year.

Bonus #9 People like to work where they like to live.

Aside from the low cost of living. Floridians enjoy a high quality of life. You don't need statistics to know that living well is the best work incentive.

Bonus #10

You'll like Florida's

warm welcome.

The Department of Commerce's

Division of Economic Development

will help you find the right site,

smooth the location process, answer

your questions and make you feel

that may surprise your boss. For

details on the industrial develop-

ment program that could mean big

bonuses for your company, write on

your letterhead to: Steve I. Albee.

Director: Florida Department of

Commerce; Division of Economic

There's much more about Florida

right at home.

People like to work where they like to live.

Development; Suite G-34, Collins Building; Tallahassee, Florida 32301. Phone 904-488-5507. Telex TWX 810-9313655. DEPCOMED TAS

FINANCE AND INVESTMENT IN THE U.S. II

Articles on this and the following page by Jurek Martin, our U.S. Editor in Washington, and Stewart Fleming of our New York staff, review the general economic background to the survey, including White House policy, the world role of the dollar and the operation of the financial mechanism.

Priority task is still

to beat inflation AT LONG last everybody in the now beginning to fall into predictable place. Retail sales have begun to decline and unemploy-

ment to rise; in March it stood

and an unemployment rate go-

modest at best, only achieving

real growth of a little over two

per cent and consequently little,

if any, fall in unemployment

there is nothing like consensus

depth of the recession, and its

duration, may depend on whether or not the current fiscal and monetary austerity

goes too far. There is clearly

a fine line between what Gov-

ernor Henry Wallich of the Fed

describes as "crunchiness" and

The financial institutions

saddled, as many are, with long-

downright cannibalism.

about the future—warn that the

U.S. is agreed on one thing—the economic recession has arrived. It has taken a long time coming as the resilience of the economy has defied just about all Government and private experts. But now that it is here, the debate has switched to an area on which few can agree—its duration and severity.

ncians to spend their way out of trouble. But unlike 1976, recession finally started some time in early February and was certainly mad eitrevocable by the credit control and fiscal package handed down by the Carter Administration and the Federal Reserve a month later. However, from a technical standpoint, a recession constitutes a minimum of two consecutive quarters during which the Gross National Product (GNP) fails to grow in real ing up to 7.2 per cent by the year's end. But it also expects next year's recovery to be terms—and last gasps of con-sumer-inspired expansion in January meant that in the first quarter of this year GNP managed to achieve a modest real advance of 1.1 per cent at an annual rate. The second three months are likely to tell another story.

Yet the process by which the Administration has finally been able to engineer a recession has been tortuous in the extreme. It even included the unprecedented spectacle of a Uresident of the U.S. going to the country and pronouncing, as Mr. Carter did in March, that the budget which he had unveiled with such fantare six scant weeks before as being suitably austere was nothing of the

term loan commitments which The intractable villain. course, and the rock on which are ruinous to finance at curthe Carier Presidency could yet founder, is inflation. Not for rent interest rates-are not too well prepared to handle a prolonged squeeze. Iu April the Fed was forced to rescue the more than 30 years had the nation experienced the 18-20 First Pennsylvania Bank of per cent rise in consumer prices it suffered in the first quarter of this year. The nearly 13 percent advance of 1979 was bad the Government's even more enough, but Americans had shown remarkable resilience in absorbing its impact, cushioned as they were by ample supplies

There has been considerable legitimate debate over whether the consumer price index (CPI) weighted heavily in favour of the housing factor, is the best indicator of inflation. Certainly it runs many percentage points higher than broader-based measurements—one of which, the GNP deflator, is still hovering at just below double figur levels. But consuming though the arguments may be for economists, in the simpler world of politicians, especially in an election year, it is the CPI which is the most visible.

The Carter Administration has consistently claimed that it was the soaring increases in the price of oil, courtesy of OPEC, that rendered inflation so difficult to control. Conservative economists view the Government as the perpetrator of inflation by the magnitude of its deficit. Mr. Carter may, in retrospect have been unwise to promise so early in his Presidency that he was committed to the goal of balancing the Budget, because it was a target which for over three years he eschewed until in March he was forced to revert

There is broader agreement that the brunt of the battle against inflation has been borne by the central bank, the Federal ny the central bank, the Federal Reserve, since last autumn under the firm direction of Mr. Paul Volcker. It is Mr. Volcker who has conducted a progressively more severe squeeze on credit since assuming the reins. The dracoman measures he introduced in March—just six months after March—just six months after what appeared to be an aggressive package in October—really ought to be seen as the culmination of a protracted period of

restraint.

Finally, with the consumer apparently exhausted, the restraint is beginning to show dividends, though the cure is not proving pleasant. Some sectors are in agony. Car sales, weak at the beginning of the year, collapsed at the end of March to an annual rate of a meagre 6m units. Housing of a meagre 6m units. Housing starts plummeted by 40 per cent in the same month compared with a year earlier, as builders were starved of credit, unable to afford what they could lay their hands on, and started to go bankrupt. The steel industry, buffeted by low demand and the pressure of imports, had recourse to substantial lay-offs and found the Administration deaf to its pleas

Authinistration dear to its pleas for protection.

The most seminal event of the period, however, and one which caused genuine fear for the long-term stability of sources of corporate finance, was the plunge in the bond markets in the first quarter of the year. t was this, reflecting the dire inflationary expectations so prevalent in the finan-cial community, which was the trigger for Mr. Carter and Mr. Volcker to tighten the screws in their March package. Some of the broader measure-

from the scrap-heap), as well to play a role in minimising the fallout of the collapse of the at 6.2 per cent, moving out of the narrow 5.7-6.0 per cent band in which it had been for more than a year. Normally, increase in unemployment in an election Hant family's silver buying spree. Although interest rates have slipped from their earlier peak, they have not dropped to the point where the financial year is the green light for poliinstitutions can breathe easily -and it is on the continued flow of a reasonable amount of finance that the necessary expansion of the real economy de-

when Mr Ford failed to get the country working again fast enough, the issue is no longer unemployment but inflation.

Officially, the Carter Administration of the repression in Unfortunately the U.S. has now discovered that this is not tration expects the recession, in the President's words, to be "mild and short." It envisages a entirely a question of internal economic and financial manage-ment. The dollar has strength-0.4 per cent fall in GNP from the final quarter of last year to ened precisely because interest rates have been so high but it the final quarter of this; a 12.8 per cent rise in consumer prices is vulnerable if they fall.

There are few pessimists who believe that the recession will be of 1974-75 magnitude; nor is it likely to bite evenly across the country. As ever, the weakest areas are the older industrial cities and States. But their frailty contrasts strongly with the paten economic vigour of large segmens of the country and only gradual progress in the war against inflation.
Other private economists—
among whom, it must be said, -the South West, for example. parts of the deep South, and the West Coast.

Nor is there any isgn yet of serious impairment of the capabilities of one of the great underpinnings of the U.S. economy, its efficient agricul-tural sector. This Administration has proved itself extraordinarily sensitive to the well-being of the farmers and in the past month has sought. by a variety of targeted Federal programmes, to alleviate the worst cost of high interest rates so as to ensure adequate spring planting. This sort of subsidy —it has also been cautiously directed at other distressed sectors—tends to offend the purists but is hardly yet of a size to damage the viability of Philadelphia with a \$500m pack—size to damage the viability of age (the financial equivalent of President Carter's intent to balance the Federal budget in

factors which could render that target elusive. International events have given substantial spur to the cause of those who want much higher spending on defence. Mr. Carter is now committed to increasing military expenditures by the best part of 5 per cent a year over a five-year span and the commensurate savings in a budget in which so much spend ing is uncontrollable are not

easy to find. In the Administration's view it is this factor, allied to the undeniable risks of exacerbating inflation, which makes unwise any stimulatory tax cut. The Republican view, according to most of the Party's leading politicis including its likely Presidential nominee Mr. Ronald Reagan, is that there is no incompatibility in the threepronged approach of increasing defence spending, balancing the budget and cutting taxes all at the same time. It is an argument which is gathering strength, though wether it is enough to put a Republican President in the White House all of its own is another matter

entirely. The outlook for the U.S. economy, therefore, can hardly be described as rosy. If there is a consolation it is that so many other industrialised countries are in a similar boat and some (Britain, for example) in a worse one. It will all, it is hoped, have been worthwhile if at the end of it inflation has been brought under centrol. But there are so many uncertainties, external and internal, that few people would approach Mr. Volcker's discount window. assuming the unlikely prospect that it was open, to borrow money to put a bet on it.

92 DEC 1971=180 88 86 SOURCE:BANK OF ENGLAND 1979



For further Oklahoma Exports Information, contact:
Director, Industrial Division, Oklahoma Industrial Development Department
Suite 201, P.O. Box 53424, State Capital Station • Oklahoma City, OK 73152

Industrial Machinery

Bituminous Coai

and much more

The Profitable

Place To Buy



One Of The Original Bringhouse Of Government Ws. 10 Re At Friend Of Business Victories Government Stills

States wished to go was that of freezing

It's not surprising that Wights delegates made the original property declaring independence in the colonies. Nor is it surprising the one of their commitments has in the well being of American industry.

The regardless of the changing attitudes of other stages, alter point rowards business hash a wavesed a whit over the last Whaters.

whit over the last 200 years

We believe in a balanced state budget. We've managed our affairs ell enough to have the highest governments are quite responsive AA bond rating in America. to business with aguicles, pilicials. Virginia also smorigly enterces a suit legislators working together to well enough to have the highest AAA bond rating in America

particular des contra c

But perhaps it sube spirit of our nglationship vott misiness that's most important. Virginia's state and local



U.K. Business in America: We are one of the leading banks for foreign investment.

We are experts in foreign investment in the U.S.

European American Bank is a major American bank with specialized skills in international finance and more than \$7 billion in assets. We have extensive expertise and experience in providing the banking products and services leading U.K. businesses need for their U.S. operations. Through our New York banking network and locations in Chicago. Los Angeles and San Francisco, we can meet those needs anywhere in

the U.S. We also have a very close working relationship with Midland Bank, one of our six shareholders. All of our shareholders are leading European banks and have over \$250 billion in assets. With this extensive network we can meet all your banking needs no matter where they are in the world.

We can give your American business a complete range of quality services.

We know the U.K. companies operating in the U.S. need a wide variety of bank services. EAB has an excellent package that independent research has shown to be one of the best offered by any U.S. bank. These services include: ☐ Foreign exchange trading

and counseling. International money transfers.

☐ Foreign collections. ☐ Letters of credit.

□ Cash management.

☐ Money market instruments. Trade promotions.

☐ Mergers and Acquisitions.

at (212) 437-2355. Or write them at 10 Hanover Square,

EAB European American Bank

All banks are not the same.

What makes EAB a different kind of bank for European business is more than the quality of our products. It's our first-rate bankers and our management philosophy.

We've organized our bank to make sure that we have no bureaucratic red tape. Our senior management is actively involved in running the bank on a daily basis. Day-to-day involvement that insures our European-trained bankers can deliver solutions quickly. intelligently and with attention to detail. This means you get the best thinking of the entire bank working on all your requests.

If you would like more information, please contact Mr. Peter Butcher, Senior Vice President (212) 437-2333 or Mr. John Moore, Vice-President, New York, N.Y. 10015.

The dollar in the 80s

year ago in Belgrade there was no other subject for discussion among the Finance Ministers attending the annual meeting reflect the underlying rate of of the International Monetary inflation in the economy—which Fund (IMF) than the febrile state of the U.S. currency, the escalating price of gold and the need somehow to restore order and stability in the international financial system. Mr. Paul Volcker, chairman of the Federal Reserve Board, with all this still flooding in his ears, a few days later introduced a course will be put to the test. package designed to reassure the global community.

Six months later, in Hamburg, the mood was entirely different. To be sure, it had taken another more severe U.S. economic and monetary package to influence opinion than that handed down by President Carter and Mr. Volcker in early March. But it is more significant that the dollar had, in this period, survived the sert of traumas that not long ago would have laid it even lower—the oil price increases of December and the bitter and continuing confrontations with both Iran

Mechanism

Thus those Finance Ministers who had agreed in Belgrade on the need to create a mechanism to relieve nations of their holdings of surplus dollars came to the conclusion in Hamburg that such a device simply was not necessary—at least not at

The mechanism is of course the proposed dollar substitution account at the International Monetary Fund. A complex and technically controversial pro-position, it would in essence have entitled countries to deposit with the IMF their unwanted dollars and receive interest-bearing instruments denominated in special drawing rights, the IMF's own reserve currency. Although the likely initial subscription to the substitution account—about \$20bn —would be but a drop in the bucket of the \$800bn overhang be hard for the U.S. to sacrifice that had been considered a a degree of control over its own desirable beginning to the proress of gradually removing the dollar as the dominant reserve asset, as well as enhancing the role to be played by the SDR. That the substitution account

was shelved at the Hamburg meeting was principally because the U.S. Government withdrew its endorsement. Mr. G. William Miller, the Treasury Secretary, went to great lengths to maintain that the U.S. had no objections to the concept in principle but was unhappy about its workings as drawn up by the Board of the IMF. Specifically it doubted that this year the U.S. Congress, not in the most generous of moods, would ever countenance U.S. contributions to a scheme in which the U.S. could be seen to be bearing an undue proportion of the exchange rate risk involved.

In reality Mr. Miller's objections were widely shared by over \$25bn, while the bill for other industrialised countries in imported oil rose astronomicvarying degrees—both on technical and philosophical grounds.
The nub was, and is, that the recovery in the value of the surplus the U.S. normally enjoys dollar over the last six months had simply rendered the whole idea non-viable.

both of domestic economic and foreign policy, is walking a fine close to balance. line and that the troubles of Before last D the American currency could price increase the

lending rates and a mini-rush out of the dollar began.

Syndrome

What of course has been crucial to the strength of the dollar this year has been the domestic factor. It is a classic syndrome only too familiar in Europe—that what is good for external consumption can appear external consumption can cause pain to the domestic economy. Thus while the body politic in America has, perhaps under-standably as well as properly. railed over the social impact of 20 per cent prime rates, the international markets tend to view much of a retreat from: those levels with some dis-

Clearly the sea change in American official attitudes, signalled by last October's package and reinforced with a vengeance in March, has been profound. The U.S., like much of the rest of the indutrialised world, is now on the regime of real interest rates and will continue under it until it makes real pro-gress in breaking the infla-tionary psychosis gripping the country. As the preceding article on the economy demonstrates the Carter Administration has become naturally rejuctant to promise too much too guickly and now foresees only a gradual decline in domestic inflation over the halance of the year—though a much sharper one if the

IT IS amazing what a difference astronomic 18-20 per cent in-a few months can make. Half a creases in the consumer price index in the first three months of the year were considered to reflect the underlying rate of they probably did not.

> Yet if the recession which everyone now agrees has arrived damages key secors like cars and housing as much as as the 1974-75 recession the determination of the Carter Administration to continue on its present

Since this is in the first place by no means a doctrinaire Gov-ernment and in the second place is a Government seeking reelection there are good reasons for it to want to avoid a genuinely intense credit squeeze, with all the implications of financial and industrial collapse that carries.

The U.S. is caught in the bind of possibly conflicting domestic and foreign priorities. Clearly international confidence in the abilities to Government's manage both has been enhanced by the accession of Mr. Volcker to power at the Fed.

But over the longer term, the strong suspicion persists that the U.S. commitment to pro-found monetary reform has been substantially weakened by the passing from the innermost circles of power of Mr. Anthony Solomon, who left his post as Under-Secretary of the Treasury for Monetary Affairs earlier this year to become president of the New York Fed, an influential, more concerned with the execution than the construction of

It was Mr. Solomon's seminal speech in Alpbach, Austraia, last August, which seemed to open the door that much wider on an era when the U.S. would accede to a gradual dimunition of the role of the dollar.

He was careful to point out that the political circumstances without which such evolution could not occur were not neces impersonal international it tution, such as the IMF.

But the seeds were well and truly sown, only to be permitted to lie fallow by the recovery in the dollar's value.

Some factors had presaged an enhanced dollar in any case. The U.S. balance of payments on current account was all but in balance in 1979. The \$300m deficit was a fraction of the \$13-14bn range in each of the two previous years, a principal reason for the weakness of the

This was not achieved by any dramatic improvement in the visible trade performance, though exports were stronger thanks mostly to the increased international competiveness brought about by the cheapness of the dollar. But the trade account remained in the red by

Nevertheless, it was widely U.S. oil companies in particular, accepted that the U.S. and the surge in foreign invest-Administration, in its conduct ment in the U.S. combined to bring the current account books

Before last December's oil price increase, the U.S. Govern-ment had even been projecting If proof of this were needed, a current account surplus of as it was amply provided while the much as \$10bn in the 1980 Hamburg meeting was in procress when major American now seen to be misplaced bank began lowering their prime Nevertheless the Administration continues to believe that any deficit can be held to manage-able proportions, in spite of a still high oil bill.

Certainly, even allowing for the domestic credit squeeze, the U.S. does not appear to be facing undue difficulties in financing its own external deficit. Indeed, its view of global deficits, shared by many of its industrialised partners, is that, for 1980 at least, financing shortfalls will not be an insuperable problem, either in the developed or developing worlds.

It is accepted that such relative tranquility may not last much beyond this year - and could upset at the drop of a hat by external circumstances and that, as a result, it would be prudent to set the wheels of another international re-

cycling facility slowly in motion. From a public relations standpoint, if no more, the Hamburg authorise Mr. Jacques de Larosiere, the IMF's managing director, to proceed with recycling negotiations with the OPEC countries in the months ahead offered the impression of progress which might otherwise not have existed given the freezing of the substitution account.

in reality it may be more than a public relations exercise given a probable strains on the system in 1981 and beyond.

Central bank given increased powers

in the U.S. has transformed the central bank's ability finacial landscape of the country in the past two years. Newer forms of financial instruinstitutions, for example, and money market mutual funds— have attracted billions of dollars of savers' money because of the savaged, and possibly per-manently damaged, by an abrupt change in inflationary expectations in the opening mouths of this decade.

Alongside these changes in the market place, however, have come important shifts in the regulation of financial markets and in economic policy.

Some of these changes have been introduced by the Federal Reserve Board directly in its efforts to take a firmer grip on the growth of the money supply in order to fight inflation. In addition, however, Congress and the President acted in March pass financial reform legislation.

At one level this legislation is almed at reinforcing the central bank's ability to fight inflation. But it appears also to shift the burden of fighting inflation even the Fed. For those economists up. This took Mr. Miller to be

ACCELERATING INFLATION who remain sceptical about the shoulder that burden these moves are disturbing.

Throughout the ment — money market certifi- economic expansion which cates issued by banks and thrift began in 1975 the Federal Reserve has been playing an increasingly isolated role in Washington in fighting inflation. The Administration's antiattractive interest rates they inflation efforts through its offer. Banks have in effect wage and price guideline probegun to pay interest on deposit gramme have been compro-accounts. The long-term fixed mised by political bargaining income debt market has been and ineffectual leadership. Washington's critics continue to argue that even President Carter's budget goal for 1981 holds out little hope of a substantial cut in the growth of Government spending but Government spending but promises mainly an expanding

tax burden for the country. Throughout the inflationary spiral of the past three years the Federal Reserve's per-formance has been persistently under attack. As the economy has obstinately refused to sink into recession and interest rates to peak in 1979, the criticism of then Fed chairman Mr. William G. Miller's "gradualist" approach to the growing infla-tion problem intensified. Then in July of last year, with confidence in the dollar sinking and the price of gold passing the \$300 mark. President Carter responded to rapidly shrinking confidence in his Administramore firmly in the direction of 'tion with a major Cabinet shake-

· .	Highs	Lows	Peak
Prime rate	1974-75 12	1976-77 7 1	1980 20
Federal funds	13.75	4.53	19.3
30-month certificates of deposit	12.65	4.60	18.35
30-year Government bonds	8.75	7.32	12.75
AAA utility bond	10.05	7.60	14.00
AA industrial bond	9.60	7.35	13.75

Secretary of the Treasury and almost 10 per cent by the first subsequently Mr. Paul Volcker, week of November, a fate of

Washington.

iWthin six weeks, amid growing confusion and speculation the world's financial markets and in the wake of a grim meeting of the Interpretation and Monetary Fund Mr. k Volcker on October 6 and nounced fundamental changes in the Fed's conduct of mone-way and a much stiffer line its in the second control the money is supply it intended to place greater emphasis on managing bank reserves directly rather than indirectly through a target interest rate for federal funds, the overnight cash banks lend each other. The implication seemed to be that tary policy and a much stiffer banks, lend each other. The auti-inflation stance. In its implication seemed to be that wake the prime rate at cominterest rates would become mercial banks, which opened the year at 11; per cent, surged to a new record of 15.75 out the prospect of more per cent by November.

Long-term Government bond winds which opened the year at 11; per cent, other hand the shift also holds pressures seemed to be easing. The shift in Fed policy in October towards reserve money supply and therefore a management and the subsequent.

yields, which opened the year just under 9 per cent and had more effective Fed monetary risen to only around 9.3 per

president of the Federal ascent which stunned investors Reserve Bank of New York, to be chairman of the Fed in peated a few months later.

interest rates would become

issues to new peaks of around 12% per cent in mid-February rate to a crisis 13 per cent on control legislation passed in

Inflationary fears refused to month later the Administration announced its budget-cutting measures. The central bank tightened its marginal reserve cent and took steps to curb consumer lending, moves which raised fears of a "credit crunch" in the financial markets and sent short-term interest rates surging, with the prime rate hitting 20 per cent later in the

policy. statistics were generally wel-Although rates rose sharply comed as likely to give the cent before October 6, rose to after October 6, there was less central bank greater control

volatility than some had over the money supply and expected. By the beginning of make it more likely that it this year there were renewed would hit its money supply fears that bank credit and the targets. The March package. money supply were in danger of however, with its voluntary again getting out of control and ' restraint programme for credit the publication of January's growth and the suspicion that inflation indicators showed that the Administration had pres-at an annual rate inflation was sured the central bank into likely to be over 16 per cent in accepting it, has left the the first quarter. The bond financial markets uneasy about markets plunged again, taking the precedent of Government yields on long Government interference in the allocation of J credit and even more concerned about the powers the Adminisafter the Fed raised its discount tration has under the credit

Moreover, the Monetary Conbe calmed, however, and a trol and Deregulation Act passed in March, while strengthening the Fed's hand by removing incentives for banks to quit the Federal Reserve system over a tranrequirements on banks managed Reserve system over a translabilities, imposed a "voluntary" credit growth ceiling for six years, removes regulations, banks of between 6 and 9 per such as Regulation Q ceilings, and restrictive. on interest rates and restrictive State usury laws, which have activity in previous economic cycles and so helped to control inflation.

Thus in the next economic upswing, which could well begin base than the 4.8 per cent recorded in 1976, the burden of fighting inflation could weigh even more heavily and directly on the central bank.

WHY 35,000 MANUFACTURERS ARE IN ONE NEW YORK ORTHEOTHER.



It's no surprise thousands of manufacturers have made New York City their home-20,000 of them. It's the Business Capital of America.

What may be surprising is how many manufacturers are prospering in the other New York: the 50,000 square miles that is New York State. Thousands of plants and factories are thriving in one of the most diverse manufacturing areas in America. Together, the two New Yorks offer more than any other state in the US.

The Best Financial Incentives in America.

No other state offers business more tax credits and exemptions. In the last two years, Governor Hugh Carey has increased the profit potential by cutting \$1.8 billion in State taxes-more than any other state. And of the ten leading industrial states, we were one of only two states to reduce personal income taxes.

Resources: Both Man-Made and Natural. We have the largest and richest

consumer market in the Western Hemisphere. So rich, that if New York were a country by itself, it would be the 10th-ranking economic power of the world.

Here you can employ one of America's most productive labor forces-at an hourly wage well below that of 25 other states. And we offer you hundreds of plant sites, with plentiful fuel and water supplies.

Put Your Company in Good Company.

RCA, Pfizer, Kodak, Naarden, Xerox, IBM, GM, International Computers Ltd., Unilever, Ciba-Geigy, Nestle-manufacturers both large and small are thriving in their New York environment.

The Best Move You Can Make.

We make you feel at home with hundreds of international schools. social clubs and cultural organizations. To find out more about all that New York State offers, simply fill in the coupon below. Or write to: William D. Hassett, Jr.,

New York State Commissioner of Commerce.

99 Washington Avenue, Albany, New York 12245. For faster action call him directly at: 518-473-7311. If you prefer, call our Director for Europe, Carlos Basaldua, at: 01-839-5070.

Whatever you manufacture, you'll find there's a New York made for you.

NEW YORK STATE

We've got the best business advantages in America.

Carlos Basaldua, Director for Europe New York State Dept. of Commerce 25 Haymarket, London SW1Y 4EN, England Please send me more information on New York State business advantages.
Name
Title
Company
Address
City
County Code Code

As New York's oldest bank, we financed the trade of our young nation.

Now, almost 200 years later, we are financiers to the wide world.

Our international involvement began early. Soon after our nation's independence, The Bank of New York was founded to encourage the growth of America's fledgling commodities trade.

> That was only the beginning.

Through the ensuing years, we have grown from strength to strength. Today, we have an important global reputation for both the quality and scope of our services to our corporate

We can boast a uniquely compatible relationship with scores of correspondent banks, both at home and overseas.

And we serve the diverse financial needs of American corporate clients and their overseas subsidiaries, as well as local businesses all over the world.

London Pride. Our London Branch at



147 Leadenhall Street provides the full range of commercial banking services.

It is actively involved in corporate lending, export-import financing, Euro-currency participations, leasing, cash management, corporate trust and investment management

London is complemented by the International Division in New York the Bank's 149 branch offices throughout the entire State of New York and a complete branch in Singapore.

Merely the Very Best.

The Bank of New York has never sought to become the Very Biggest. Our aim is merely to be the Very Best.

In fact, we take pride in our rank as America's twentieth largest bank. Not its Mass Money Mover. But its Finest Financier.

There is only one bank this old. And this new

THE BANK OF NEW YORK Member FDIC

Main Office: 48 Wall Street, New York, N.Y. 10015

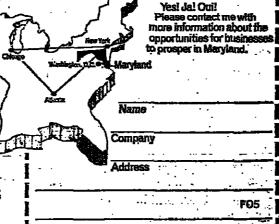
London Office: 147 Leadenhall Street, London EC3V 4PN Incorporated with limited liability in the State of New York, U.S.A.

Businessmen all over Europe are saying "Yes" to the opportunities in Maryland, USA. More than 125 foreign companies are here already.

We offer you many important advantages: a well-balanced labor pool, a strategic location near the mid-point of the New York-Atlanta-Chicago Triangle, the Port of Baltimore, which is closer to the midwest than any other port in the East, a recession-resistant economy thanks to our diversified industries, and an excellent transportation network including three major airports.

Attractive financial incentives, industrial training, and other advantages are available to you now.

For more information, send in the coupon, or contact George Van Buskirk, European Director, State of Maryland, 78 rue Defacqz, BTE 6, 1050 Brussels, Belgium, Tel (02) 539.03.00, Telex 64317.



FINANCE AND INVESTMENT IN

There has been a significant growth of interest among foreign -companies particularly those in the industrialised world—in acquiring assets in America. In their minds the advantages of a presence in the rich U.S. market clearly outweigh the shorterm economic uncertainties.

Inflows from abroad

IT SEEMS little can dull the ment has, if anything, quick-ened in the last 12 months in both volume and value despite itself about economic prospects.

This trend is borne out by a number of surveys. One of the most recent published a month ago by the Commerce Department, said foreigners made 1,070 direct investment transactions in the U.S. in 1979, compared to only 334 the year be-fore. The Department said it had no exact figures for the value of these transactions be-cause many of them were pri-vate, but it estimated them at \$12.5bn, up from \$6.1bn the

A separate survey by the New York Conference Board of Foreigner Investment just in manufacturing showed 437 manufacturing showed 437 deals in 1979, up from 358 in 1976 and 274 in 1977. Again, the value of these deals is hard to pin down. But the Board said that the price tag was known for 217 of the 1979 total, and this came out \$4.9bn, up from \$3.8bn (on 212 deals) in 1978.

Featured

Both the Board and Commerce listed the main originat-ing countries as Britain, France, West Germany, the Netherlands. Switzerland and Canada, though Japan has also featured strongly on the manufacturing side. All this shows little change from the pattern of the last few years.

The Commerce Department's lowns for the first half of 1979 which showed that banking, in-surance, electrical and electronic equipment and transportathe most popular areas. The Board's breakdown within the manufacturing industries gave machinery, chemicals, food, stone clay and glass, rubber and miscellaneous plastics.

One small aside in the Board wards building new plants rather than making outright acquisitions. Some 54 per cent of investments surveyed were in new plant and equipment in 1979, up from 49 per cent in 1978

Whether this is simply an aberration, only time will tell. It would be surprising, however, if there has been a marked shift in this direction since the cost and complication of starting from scratch in the U.S. as opposed to taking over a going concern are enormous despite the generous incentives being offered by many States to attract new business.

The favoured geographical locations for foreign investment tend to be the rapidly growing southern or western States: California, Texas, the Carolinas and Georgia: New York is also highly favoured, though investments there tend to be in the service rather than manufacturing industries (insurance, banking, retailing,

The reasons why foreign investors come to the U.S. in such large numbers were examined in a recent report by Hill and Knowlton, a New York public relations firm, A sample of 58 European, Japanese and Canadian companies which had set up opera-tions in the U.S. showed that the strongest single reason for being there is the size of the market, followed by the poten-

country's political and economic stability.

The survey also showed that for investor interest in the U.S., like the relative hecapness of U.S. assets and the co-operative were less important. Similarly, the availabality of financing and industrial raw materials

All this seems to suggest that foreign businesses are going for what they see as the funda-mental strengths of the U.S. economy (size and stability) teristics. Evidently these invest ments areb eing made for the very long term. The fact that ig role would also explain why foreign investors persist in their country's concern about its economic viability.

Apart from the cyclical recesdeep concern in many parts of industry, government and the ecademic world about deteriorating trends in investment, productivity and scientific innovation. In some quarters these worries have even reached philosophic proportions as people muse about "the peak-ing of capitalism" and similar historic turning points that can conditions. But to foreigners just as concerned about their countries' particular failings, these disadvantages must seem somewhat intangible compared to the security of knowing one has a foothold in the richest market in the world.

David Lascelles

DIRECT FOREIGN INVESTMENT

(Completed cases January 1-June 30, 1979)

	Number	Number of cases value known	Value (\$m)
	379	207	4.374.8
TOTAL	300	166	4.047.1
Principal source countries	800	30	374.0
Canada	28	16	616.2
France	34	17	95.0
Japan Netherlands	23	17	557.3
Switzerland	17	13	456.1
U.K	66	35	1,366.3
West Germany	72	38	582.2
Other Europe	24	. 8	174.5
Anstria	3	Ð	. =
Belgium	3	2 -	3.5
Denmark	3.	2	6.5
Ireland	1 8	· 0	159.0
Italy	8	8	709.0
Norway	<u> </u>	6	
Portugal	i	ŏ	_
Spain	2	ì.	5.5
Sweden	ī	.ō	_
		6	60.6
OPEC countries	3. 3	ĭ	1.0
Iran	ĩ	ô	
IraqKuwait	. î	i	2.2
Saudi Arabia	4.	4	57.4
Other Middle East	3		7.7
Israel	1	0	_
Jordan	1	1	6.1
Lebanon	1	1	1.6
Other Asia and Pacific	18	4	12.2
Australia	5	2	4.0
Hong Kong	_1	<u>ū</u>	
India	. 10	. 1	. 5.6
Pakistan	· 1	. 0	2.6
South Korea	1_	1	
All other countries	25	21	72.7
Argentina	3	2	1.3
Netherlands Antilles	12	11	42.5 4.5
Panama	. 1	. 1	4.a 2.2
South Africa	2	1	1.7
Uruguay	1 6	5	20.5
Unspecified	_	•	40-0
Source: Comme	rce Depai	tment.	

Land purchases set off uproar

therefore hardly surprising that the recently much publicised buying spree by foreigners of U.S. agricultural land has led to a public uproar and spawned a multitude of local and Federal Bills which attempt to impose restrictions of varying severity on foreign investors. Probably the most important is the crop of Bills currently in the House of Representatives and Senate which if passed later in the year-as most observers anticipate-would for the first time impose a tax on the profits realised by foreigners on the sale of U.S. land.

The issue of foreigners buying up native American soil is particularly galling to many U.S. citizens at present because the current tight U.S. money policy means that would-be domestic buyers are finding it harder and often more expensive than overseas purchasers to finance property acquisitions. The comparative ease with which many foreigners appear able to obtain finance obviously a big advantage in negotiating property deals and in the opinion of many Americans has been responsible for pushing up property

Indeed there are signs that with the U.S. economy moving into recession, rising mortgage

AFTER APPLE pie and mother- rates have choked off domestic it is a less emotive issue—is average American's heart. It is stance by President Carter on investment in office property in inflation and the growth in major U.S. cities. world political tension has if anything served to increase the of New York's Manhattan, lure of the U.S. for foreign where according to local investors. So the coming months might see an increasing proportion of total property transactions being concluded by foreigners rather than Americans.

Proportion But while a lot of hot air has

been generated over the issue of foreigners buying up U.S. land, the latest figures on these purchases reveal a less alarming picture. A report published earlier this year by the Department of Agriculture showed that as of October 31 last less than 0.5 per cent of American than 0.5 per cent of American farmland was owned by foreigners. Nevada, South Carolina and Tennessee are the states with the largest proportion of foreign-owned agricul-

tural land. Overseas buyers from more than 50 countries notified the Department of purchases, with investors from Britain, Luxembourg and West Germany holding more than 50 per cent of the total overseas portfolio. Property dealers also point to a growing demand from South American countries-a demand focused on the South-East region of the country. A less well publicised

phenomenon-perhaps because

major U.S. cities. This is particularly marked in the case property agents about half property transactions completed for offic ebuildings in the last year were on behalf of foreigners. A recent example is the purchase by a Dutch pension fund of the Celanese building on Avenue of America. This changed hands for \$136m. thought to be the largest single purchase in Manhattan.

The increased investment by foreigners reflects both a feeling that in inflationary times property is a good asset and their favourable attitude to the long-term prospects for the U.S. economy. Rents in the U.S. are relatively cheap compared to relatively cheap compared to those in many European countries and vacancy rates for office space in major cities relatively low. In addition, changes in the general format of leases for office property, with revision clauses and the introduction of the server experience. introduction of some mechanism cover increases in costs a result of inflation, are another attractive feature. Most property dealers, if pinned down for a forecast, would predict a steady demand from foreigners for land, with a growth in institutional purchases of office property.

Rosemary Burr

YOUR BANKING LINK TO FRANCE



THE CIC GROUP

-BANQUE REGIONALE DE L'AIN . BANQUE REGIONALE DE L'OUEST . BANQUE SCALBERT DUPONT . BANQUE TRANSATLANTIQUE • CREDIT FECAMPOIS • CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE • CREDIT INDÚSTRIEL ET COMMERCIAL • CREDIT INDUSTRIEL DE NORMANDIE • CREDIT INDUSTRIEL DE L'OUEST • SOCIETE BORDELAISE DE C.I.C. • SOCIETE LYONNAISE DE DEPOTS ET DE C.I. • SOCIETE NANCEIENNE DE CREDIT INDUSTRIEL ET VARIN-BERNIER « BANQUE COMMERCIALE DU MAROC » BANQUE DE TUNISIE • UNION DE BANQUES REGIONALES

THE LEADING PRIVATE BANKING INSTITUTION IN FRANCE SERVING YOUR NEEDS ON BOTH SIDES OF THE ATLANTIC

CREDIT INDUSTRIEL ET COMM

New York Branch

280 Park Avenue, New York Telephone (212) 490-7373

280 Park Avenue, New York Telephone (212) 490-7357

Branches, affiliated or associated banks and representative offices in the major financial centers of the world

Problems of buying into small companies

for small business which has give some indication of whether treated with great caution and Mr. Peter Kennedy, vice nonlogy fields where foreign An unusual outlet for such is, proven management operat- since the company was formed emerged in the UK over the all the talk that has been taking before any irrevocable committed president of the New York companies are looking for obth activity is Abingworth, a private ing in markets big enough for seven years ago, together with past couple of years or so is place over the past two years ment is made. not peculiar to this country, can be translated into action. The small company in the U.S. even in unfavourable economic has similarly been viewed with circumstances. greater understanding, both within the community and by in the short-term, however, government, partly because of there is enormous scope for the short and the short-term. President Carter's own profitable small-scale invest-championing of the sector and ment. The existing will to take

THIENT

 $^{ab} Au_{\alpha k_{1}}^{a}$

A ...

At the same time the small businessmen themselves in the U.S. have been attempting to David Birch of the Massachusetts Institute of Technology, showing that nearly 70 per cent by small business in the 16 years to 1976. They have also had a major platform from which to speak in the form of series of conferences and throughout the country in an 18-month period which culminated in the first White House Conference on Small Business in Washington in January.

conference emanated a whole series of proposals, put together by the small business delegates, for reforms of one form or another aimed at reducing the administrative burden felt by small business, opening up markets dominated currently by the major 1,000 or top U.S. companies (particularly in the area of Government procurement) and introducing taxation and other financial changes which, it is felt, would strengthen the position of small business, particularly at a time when it feels that inflation and economic recession is seriously eroding its basic strength,

Commitment

To what extent those proposals will be heeded by government is unclear. President Carter has a commitment to consider the small businessmen's main demands, but international developments have probably left him little time for championing the small business cause. The economy also has been in recession and the President has said he will take no specific steps to avoid

Mr. Vernon Weaver, head of the American Small Business Administration, promised the January conference to press the 10.4m small businesses in the ing procedures and equipment small business case on Capitol U.S. offering a seemingly end-design. Hill and he is committed to less choice to the foreign Mr. Klutznick's phrase, how-producing a preliminary report investor, a major proportion of ever, is a good one because it on what progress has been made towards achieving the con- probably entrepreneurially or phantom nature.

sympathy ference's objectives. That will family-owned) would need to be eroded some of the advantage, processing and the high tech- capital gains,

his personal identification with such a step is reflected in figures for foreign direct investment in U.S. manufacturing banking and retails trade which show that in 1978 nearly a make their voices heard rather quarter of the 143 transactions better. In this they have been in the manufacturing field alone bolstered by the results last that were amounted involved year of a massive survey by sums of less than \$5m, with a further 31 per cent in the range of \$5m to \$15m.

> But just as some of the large-scale investments. attempted investments, made by major British companies in the past two or three years have shown that pitfalls are involved-anti-trust and shareholder legal actions—so there of the stock markets. However, are pitfalls of a somewhat different kind in the small busi-

A basic problem that can arise with any investment in a small company, particularly in a takeover, is the purely administrative one of trying to maintain control from several thousands of miles away. It is. maintains Mr. Darryl Behrman, vice-president of Citicorp International Bank, the merchant banking subsidiary of Citicorp, a "bigh risk strategy."

This is particularly so with deals involving \$5m or less, he because a private takeover may be company involved where the company "entrepreneurially driven, without a great depth of management."

Such companies, as an outlet for the foreign investor's own products, would be totally reliant on the co-operation of the entrepreneur. A small foreign investor would not have take closer control, while a large one may find the amount of senior management time needing to be devoted to its new American offshoot is diseave, the company could well involves small cadres trously, weakened. So while there are some

Partial investment, Behrman feels, is preferable at the lower end of the financial scale, offering the investor the chance to step into the U.S. market at reduced risk, initially through a licensing or joint venture deal which could realise their objective of a physical presence in the U.S. Alternatively, he suggests that the purchase of a subsidiary of a large group offers good prospects with sødnd management team in situ.

Major motivating factors behind investments made in the of the target company. recent years have included the prospect of big gains in an enormous market, the weakness of the dollar (which has procompany sector, the low level rising interest rates

higher cost of money will research on the technologies prompt an increased level of involved. joint ventures in the small

the management and the manufacturing facilities. He also feels there may be a preference for the small deals

herause of the problems that

have been experienced with big company takeovers as a result of anti-trust difficulties or legal action by shareholders Hoffman, at Chase Manhattan, says that more popular aeras of interest in the U.S. for investment include retailing, distributors (particuvided a cheaper entry fee for larly those which are already companies) and, in the public acting for a foreign com-

corporate service office of Bank markets for its own products of America, suggests that the and a capacity for on-going invests funds on behalf of

business sector. The foreign ing partial investment, trading broking firm, and other insurits American partner providing for active investments (that is, tinental where some form of trading partnership is the objective) it is equally the case for passive investments which have a purely financial objective.

Many British financial institu-

tions are looking increasingly at overseas markets to place some of theirf unds and, as in the UK they are takin ga keener A major attraction of the U.S. in this respect is the large number of technology-based

companies constantly emerging which, because of the enormous pany), construction, construction markets open to new develop-States), construction construction ments, can offer the prospect of markets open to new developments, can offer the prospect of he says, "there are more worth seeks are
ments, can offer the prospect of he says, "there are more worth seeks are
ments, can offer the prospect of he says, "there are more worth seeks are
ments, can offer the prospect of he says, "there are more worth seeks are
ments, can offer the prospect of he says, "there are more worth seeks are
ments, can offer the prospect of he says, "there are more worth seeks are
ments, can offer the prospect of he says, "there are more worth seeks are
ments, can offer the prospect of he says, "there are more worth seeks are
ments, can offer the prospect of he says, "there are more worth seeks are
ments, can offer the prospect of he says, "there are more worth seeks are
ments, can offer the prospect of he says, "there are more worth seeks are
ments, can offer the prospect of he says, "there are more worth seeks are
ments, can offer the prospect of he says, "there are more worth seeks are
ments, can offer the prospect of he says, "there are more worth seeks are more worth seeks are
ments, and the prospect of he says, "there are more worth seeks are more worth

Contrast

Mr. Anthony Montague, chairman of Abingworth, feels there is much gretaer scope in the U.S. for acquiring significant minority investmentes in which has been gaining growsmall compaines interest in small companies as growth potential because in It is that various reasons are an area of investment. contrast to the UK where put forward in the U.K. for entrepreneurs are keen to maintain tight control of their compaines, his U.S. counterpart is happy to have a smaller

over-the-counter the past few years. market, a company can see itself being abole to tap the

quickly. Mr. Montagu cites another reason for the scope for invest-ment in small U.S. compaines "there is an environment that

part of a potentially much encourages a winner."
bigger company. "Generally," hTe winners that Abinghe says, "there are more worth seeks are high techencourages a winner."

hTe winners that Abing-

meet our sort of criteria—that It has made 12 investment venture capital company that a company to grow large." . a number of other investments In addition, despite the cur- in the UK. These have included nearly 20 institutions such as rent economic climate, he feels stakes in Qantel, a computer Barclays Bank, Willis Faber there is generally greater company, Intec, a concern If a cautious approach involv- Dumas, the large insurance scope to tap capital markets which applies laser technology "In the UK a company has in a variety of areas, and company might put in the tech-agreements and the like is ance companies and financial really got to have profits of Apple Computer, a home com-nology in a joint company, with advocated by financial experts concerns, obth British and Con-£2m a year before it can con-puter company which has sider going public. In the U.S., grown extremely rapidly in

> Such companies are the icing capital markets much more on the cake of foreign investment in small U.S. companies. not duite so spectacular oppor-tunities in less highly techoffering ing recognition in this country. math of a few burnt fingers following large-scale investments in the U.S. attention will not growing big, a major one ments in the U.S. attention will being the burden of tax. In now switch to the smaller the U.S., on the other hand, desprising there and riging in downturn there and rising inflation and higher costs of

money.

Nicholas Leslie

Drive for increased productivity

FEW U.S. businessmen would people don't always feel sick argue with the view that productivity is the key to economic revival. Some would go so far as to say that it is the key to

President Carter is to set un an Office for Productivity to fight what his Commerce Secretary, Mr. Phillip Klutznick, recently described as "economic anaemia" in the 'economy.

Another economic physician is the American Productivity Centre, the three-year-old thinktank in Houston which recently held its first annual conference. Among other things, this organisation is instrumental in preaching the virtues of the quality of work" 'gospel, which American business has borrowed from Japan in an attempt to pep up shopfloor participation in the drive to improve efficiency.

Around 65 companies, includproportionate to the scale of ing names like General Motors, investment made. Then, of American Airlines, Northrop course, if any direct action and the steel industry, are provoked the entrepreneur to active backers of the idea. It be considerably, if not disas workers meeting regularly to put up suggestions to management for ways to improve work-

them (80 per cent alone employ suggests both the depressive

and, in spite of the hot gospel-ling about productivity, it has been hard to convince ordinary Americans that there corporate sector is staggering towards a

One of the reasons for the phantom element is the broad range of disagreement about productivity figures, which are intended to show the change in real output per employee hour.

On the one hand, it is argued, the figures overstate problem because of the huge fall in construction industry productivity in recent years. This is thought to reflect a shift in workload after the completion of the interstate highway programme than a sudden maliase among construction workers or their equipment. On the other hand, some feel that the real gravity of the situation has been concealed by

the strength of the U.S. economy since 1974. Even those economists who made the subject a speciality conclude that there are large mystery elements in accounting for the changes. But like the anaemia victim, whose iron count fluctuates,

there is no outbbling with the fact that the long-term trend is Officially, the Department of Commerce says by the middle of the year fewer than 10 people and are nature of the illness and its the private business sector, Anaemic which accounts for about twoU.S. LABOUR PRODUCTIVITY GROWTH

Average % change each year 1955-1956 1965-1973 1973-1978 1978-1979 Private business Non-farm . Source: Commerce Department.

thirds of U.S. business activity, in the structure of industry experienced a 0.9 per cent drop in productivity last year.

a statistical flaw in the argument in that manufacturing productivity rose by 1.8 per cent, three times the rate of the previous year and well above the average for the 1973-78

But in the two decades after World War Two, U.S. productivity grew by an annual average of almost 3 per cent. The reasons advanced for this are numerous and, in many cases, not much more than

Composition

Undoubtedly the shock to the economy of higher energy prices has played a part, as has the ageing of American industry's equipment. Less easily measurable are the effects of the changing composition of the workforce towards though there is general grudgmore working women, a shift ing acceptance that Japanese

itself away from heavy manu-facturing towards high tech-Even in this year, there was nology and service, and the

general effects of affluence on the individual. The business lobby believes there are three remedies: Lower corporate taxation to make room for higher capital investmore .research and ment. development, with some degree of Government funding for big projects of general usefulness to a whole industry, and less regulation by Government, which Chase Manhatten bank

year and diverts capital into non-productive bureacracy.

There is no doubt that business is winning these arguments, although the research and development requirement will prove difficult in practice, because there is widespread disagreement about the nature and extent to which Government should involve itself, even

a major factor in the success of- the Japanese industrial

confident that it will win tax cuts and changes in the depre-ciation rules in order to stimulate capital spending. Business pressure won the first cut in corporate taxation for 20 years

Whether this tide of probusiness feeling in Congress will hold through the politically testing period of a recession remains to be seen. But for the moment there is no doubt that capital investment in the U.S. is struggling to keep pace with inflation.

According to a recent survey by the Commerce Department, business will spend \$197bn on new plant and equipment in 1980, up by 11.1 per cent from the 1979 level which was in turn a 15.1 per cent increase on says costs the public \$100bn a 1978.

Even these modest figures. however, are beginning to look optimistic. Companies have delayed some spending plans, first to reduce their need to borrow at record interest rates and now because they fear a sharp fall in profits in this year as the recession takes its toll. The pace in higher capital spending was set last year by

the airlines, which increased

spending by 41 per cent to \$2.3bn last year, but which were planning a much smaller rate of increase this year even before As for capital investment, worsening operating conditions business appears increasingly sent several of them into heavy quarterly losses.

The public utilities, and other big spending groups, have also cut back because of a combination of high interest rates, uncertainty over nuclear power and, in some parts of the country, lower-than-expected demand for electricity.

One anomaly, if that is the right word, which should be pointed out, however, is that this year foreign affiliates of U.S. companies will increase their capital spending by 26 per cent to \$48.4bn, following an increase of more than 20 per cent increase last year.

This export of U.S. capital has so far gone without much criticism, but the anger is starting to rise in industries such as the motor industry, where unions can see that jobs are also being exported.

This could well become much more hotly debated issue in the months to come, especially if it appears that through world and, to a lesser extent, in Europe American husiness is solving the productivity problem it cannot solve at home.

Ian Hargreaves

How TRW and Datapoint systems keep Ford dealers rolling.

Like the central hub and radiating spokes of a wheel, Ford National Sales Companies and their network of automobile dealers in the European marketplace are integrally related.

Their requirement: First, to help Ford dealers automate their own accounting and clerical operations. Second, to speed and simplify daily exchange of information between Ford National Sales Companies and their hundreds of dealers scattered across the United Kingdom and the Continent.

The solution: TRW

Datacom's approach to

processing. Dispersed data processing systems from Datapoint Corporation are marketed internationally by TRW Datacom. And our worldwide network of local service organizations makes us an ideal resource for the decentralized data processing needs of companies such as Ford.

The TRW Datacom approach.

Ford came to TRW

Datacom and

together we designed a Dealer Application Remote Terminal System that they could recommend to their dealers.

. TRW Datacom provided the resources and technical expertise to give Ford a solution with the scope and capabilities they needed: A Datapoint dispersed data processing system that became the foundation of the Ford program. And TRW Datacom provided the coordination and

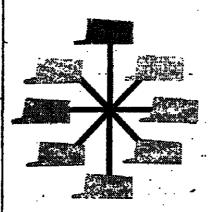
central point of responsibility that ensured success.

The Local Touch, the TRW Datacom Distributor.

Each Ford dealer is an independent businessman

with unique needs. That's why TRW Datacom's strong distrib utor group was important to Ford. It meant that our nationallevel organizations could provide Ford dealers with

localized attention, customized software and even financing arrangements tailored to



the business practices of

the area. With Ford's support, many

of their dealers have installed the system. It provides... an important electronic communications link for sharing information between

Can we help you?

The Ford story is one example of how the TRW Datacom approach to dispersed data processing can give you the best of both worlds: local servicing of

> local needs and worldwide coordination through a central organization. Ford and other major companies in transportation and other industries have taken advantage of our approach. With ĥeadouarters

in Los Angeles and London and distributors in 40 countries, we can help you, too. For more information. contact the office nearest you, listed below. TRW Datacom International Inc. a subsidiary of TRW Inc.

DATACOM INTERNATIONAL

field.

italy (Mason) ENCODEX (02) 659704

Ford and its dealers. And

manage his business. For

example, it gives dealers

pricing, better inventory

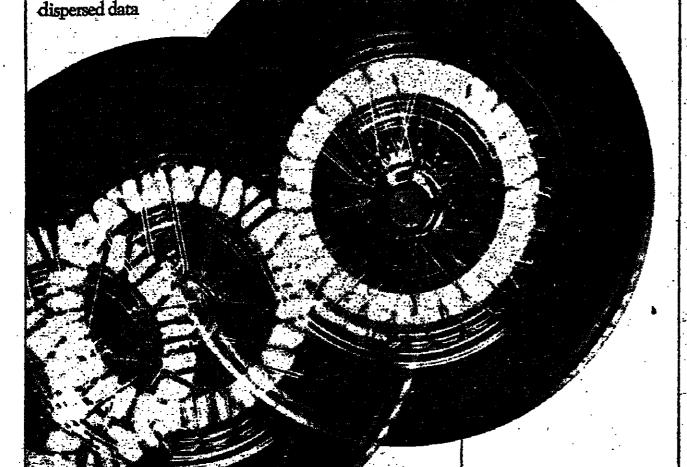
control, and time-saving

internal accounting assis-

tance, while automatically reporting vital sales trends that keep Ford competitively ahead in the automotive

instantly updated parts

it helps the individual dealer



FINANCE AND INVESTMENT IN THE U.S.

The securities industry has suffered as much as any from the problems of inflation. In broad terms it has managed to cope reasonably well, with the major brokerage houses using their acumen to diversify their operations. This page and the following review the main sectors of the market.

Wall St. passes test

TIMES ARE always described large mergers, Shearson Hayden Wall Stret Itself.

as "challenging" for Wall Stone with Loeb Rhoades HornStreet as the capital markets bloom, and Paine Webber with managed to ride the market turplace increasingly tough Blyth Eastman Dillon, the latter demands on its intellectual and creating the second largest monetary resources. But the securities house in Wall Street chaotic conditions experienced after Merrill Lynch. The pro-by most U.S. markets in the last cess is bound to continue until, 12 months have raised those as many people expect, the challenges to new heights and industry will be dominated by provided Wall Street with a eight or so "mega-brokers."

severe test of its mettle.

Diversification also helped.

By and large, however, the investment community seems to preoccupation in Wall Street as have met the challenge. There the investment houses expand have been casualties, it is true, the scope of their services or and some very nasty moments. branch into totally new areas. But most of Wall Street is still forging on, and many houses into related business like invest-have even been able to turn the ment banking, both in the U.S. turmoil to good account by and abroad. This is probably

the stock market—the tradicommodity markets, both of which have shown a volatility seldom seen in modern times.

U.S. interest rates had been edging up since early 1977, But the situation only became criti-cal in the second half of last year when rates defied widespread predictions of a down-turn and broke through to a new record highs. Then, after a brief pause at Christmas, they surged ahead again to levels that would have seemed inconceivable only a year ago, bringing about the virtual collapse of the bond market in the process. Coinciding as this did with

the New Year slump in the stock market, it might have been expected to knock the props from under Wall Street. though one or two smaller firms went under, all the big names are quite instructive.

Perhaps the most obvious is existence a few years back. that most Wall Street houses Not everyor are now much more solid than positively, the they were before, either by Williams, See virtue of amalgamation or Commission diversification.

past 12 months have seen two has sometimes been echoed in sparked by the activities of a

Much of the diversification is

making huge profits on commis-sions and fees. the biggest expansion area measured in terms of profit Ironically, it is not so much growth, though the heat of the competition is already having tional focus of Wall Street's an impact on the conduct of activities—that created the investment banking. Most problems, but the credit and investment bankers spend far commodity markets, both of more time trying to drum up business or dream up ideas to interest clients than in actual hanking itself.

Popular

Insurance is another popular area, particularly among the retail brokers whose account executives can be trained to sell life policies along with stocks and bonds. Merrill Lynch and Bache Group are among the houses that have taken this path. Property, even retail banking (but under another name) are beginning to feature

If these trends continue the average Wall Street brokerage house will probably earn only a third of its income from securities commissions by the end of the 1980s, a startling departure from what served as most of these concerns' sole reason for Not everyone views this frend

positively, though. Mr. Harold Williams. Securities Exchange Commission (SEC), has expressed the view that diver-The big shake-down provoked sification might reduce Wall

managed to ride the market turmoil financially because, while securities prices plummeted, turnover soared. The average number of shares traded on the New York Stock Exchange last year was 15 per cent higher than in 1978. And though the discount houses have begun to make inroads in the brokerage market, their share is still com-

paratively small, about 5 per cent, leaving the traditional houses ample scope to earn their commissions. In the first quarter of this year Merrill Lynch increased commission revenue by 78 per cent. E. F. Hutton by 77 per cent, and so on. These advances followed sizeable gains in the

past six months of last year. The investment community has also been able to offset at least part of its losses in the fixed income securities market by means of the relatively novel financial futures market. This market (which is discussed more fully in another article in this survey) was hardly in exis-tence at the time of the last interest rate peak. But this interest rate peak. But this time roun dit has blossomed into a large and highly liquid market whic hoffers (to those who understand it) a useful hedging tool against changes in

It has its disadvantages, of course. It can never offer complete protection, and it is only tool, not an investment (which means one sacrifices yield to make use of it). But there can be few Wall Street brokerage houses which do not make full use of the market today, and which must many times have thanged it for the

interest rates.

protection it offers. The other major challenge Wall Street has faced came from the commodity markets. About half-way through last year, speculative fever swept commodities, many mainly non-agricultural ones like metals, though cotton and by the abolition of fixed rate Street's ability to perform its sugar were caught up in it too, commissions continues. The traditional tasks, a view which Although much of it was

small but determined group of investors in the precious investors in the precious metals markets, it also reflected to some extent the desire of ordinary investors to take refuge from inflation in

hard commodities. Two months ago this led to the now well-documented Hunt silver affair in which the wealthy Texan oil family made huge losses on its silver holdings and was unable, for a while, to cover its positions, For a few days, there were sharp anxieties in Wall Street that the brokerage houses in the centre of the affair would be squeezed between the Hunt's inability to pay and the exchanges' demands for money to cover the losses. As it turned out everyone came through financially unscathed though the whole cpisode pro-vided Wall Street with a

number of salutary lessons. One is that brokerage houses must impose realistic margin requirements on their caught themselves. There has been some criticism of Bache Halsey Stuart Shields, the firm at the centre of the affair, for imposing margins on the Hunt accounts that were too low. Another is that it is unwise to allow clients to have too large an equity interest in the company. The Hunts own 6.5 per cent of Bache, prompting criticism that Bache gave the Hunts preferential treat-ment, a charge which Bache strenuously denied.

Tighter

The Hunt affair is likely—many people in Wall Street fear—to lead to tighter regulation of the business, if not by the SEC then by the Commodity Futures Trading Commission which has authority mission, which has authority over the commodity markets.

But while the SEC was deeply concerned by recent events, it is pushing ahead with other plans to liberalise and expand securities trading. At the end of March it lifted nearly two-year-old ban on the growth of options trading, effectively paving the way for the expansion of this market into most major exchanges. ending of the ban followed intensive study by the SEC of the whole question of options, which showed explosive growth in the mid-1970s but were abused in some

The SEC is also committed to setting up a nationwide securities market, though this will be a long-term affair. At the moment the Commission is working on ways to achieve nationwide price protection for public timilo, rr edsTH TH for public limit orders, improvement of the timeliness and reliability of quotation information and so on to ensure formation and so on, to ensure that all who participate have a fair crack at the market. After the upheavals of the

last year or two, however, Wal.
Street is probably in for
quieter times in the coming
months as the economy retreats into recession and a lull settles over many markets. This will probably lead to declining revenues, though the drop in interest rates should swell assets as the bond market improves. Wall Street

Bond market comes under pressure

decade saw investment managers finally turning away from the practice of loading up their portfolios with ordinary shares in order to try and beat inflation. The "cult of the equpity" withered away, to be replaced by a shift in the balance of portfolios towards fixed income bonds. The apparent price stability and high yield of these investments, the opportunities for capital gain from active management and the relative ease of trading big blocks of securities all made bonds an attractive haven for

investors in shares. The new decade is only four months old and yet today it is an open question whether in-vestors in the 1980s will pile funds into fixed income invest-ments as they did in the 1970s. The events of the past six months have wreaked havoc in America's fixed income markets, not just the bond markets but also the long-term property market and the housing market.

Shaken

Today it is hard to imagine that any but the best quality private borrowers will be able to return repeatedly to the credit markets and demand hundreds of millions of dollars of loans at a fixed rate of interest stretching out for 30 and 40 years. The pension funds and insurance companies which only a year ago were still willing to contemplate such investments with equanimity have been shaken to the core by the acceleration in inflation to an annual rate of around 16 per cent in the first quarter of 1980, by the dramatic deterioration in prospects of pruning it back that has occurred in the past six months and by the billions of dollars of paper losses that they have suffered as a result. Between October 6 last and

mid-February, Wall Street estimates suggested that as much as \$400bn had been wiped off the face value of long-term bonds alone. The paper losses on private fixed-term placed loans and mortgages have been no less devastating.

Many long-term investors are now anticipating that the U.S. could be saddled with an underlying inflation rate of close to double figures for the next five years or more. Their experisuggests to them that such a rate is inherently unstable and is likely to soar in periods of

THE EARLY years of the last high economic activity 'o income securities they hold and for their performance as

and for their performance as investment managers.

These investors are also conscious of the growing pressures on them, in an inflationary era, to provide pension and life assurance benefits which keep pace with inflation—in the case of pension funds even for retired employees. These perceptions provide some explanation for what is being CONTINUED ON NEXT PAGE

nearer 20 per cent, with term lenders — the growing ominous implications for the evidence of the unwillingness capital values of the fixed of the investment managers wielding billions of dollars of funds to lock themselves into long-dated fixed interest

could probably do with a breathing space anyway.

David Lascelles

New York's newest and most exciting office building 650 Fifth Avenue at 52nd



36-Story Office Tower Immediate Occupancy New Building Installation

Full Floors, 9,336 to 13,475 Ft. 60,144 Ft. and 46,680 Ft. Available on Contiguous Floors

Divided Space Available

Retail Store Mezzanine Space Also Available

Current Tenants Include: Smith Barney, North American Watch, Tucker Anthony, Fivenco, Inc., Scannon, Ltd., E.F. Hutton & Co., United Vintners, Inc., G.F.T. (U.S.A.) Corp., Lois, Pitts, Gershon, Inc., Bank Sepab, Bank Cariplo, American Center for Life Assist. Inc., Banco Rio de la Plata, Banco de Buenos

For Information Contact: H.M. Naraghi or Robert Carmel Exclusive Renting and Managing Agents Williams Real Estate Co. Inc. 1700 Broadway New York, N.Y. 10019 212-582-8000 WILLIAMS



WISCONSIN PORTS

The Trammell Crow Company is a

leading real estate developer with the resources,

build for tomorrow. From site selection for a

we're committed to the success of each and

every development.

and we welcome your call.

major shopping center, to financing warehouse

As evidence of that commitment, we've

international operations. Today, we have offices in

27 U.S. cities and buildings in 40 major markets.

spent the past 30 years developing more than

\$2-billion in real estate through national and

By maintaining a sizeable inventory of

prime space, we offer a direct line to business

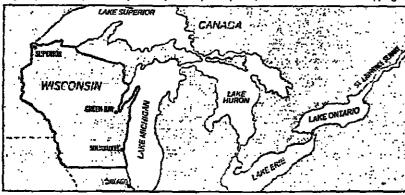
technology and experience to help your company

facilities or leasing and managing a high rise office,

THE BERTHS OF A NATION



continent link to foreign markets and sources of supply, a great diversity of material passes through these busy ports—grain, food products, machinery, chemicals, and other cargo on the way out; and coal, petroleum products, cement, stone, salts, and other commodities shipping in.



These three Galeway Ports serve 17 states (from as far west as the Rockies) and two Canadian

provinces, all key producers of industrial and agricultural products. These products are taken through the cost-efficient St. Lawrence Seaway to Europe, South America, and Africa—as well as to U.S. and Canadian Great Lakes cities. There are 12 other Great Lakes ports to serve you.

PORTS OF CALL

Roy F. Hoffman, (414) 278-3511.

modities and general cargo shipping in and out of America's heartland. Call John A. Port of Milwaukee, with its grain elevators Seefeldt, (414) 497-3265. and heavy lift capabilities, numerous terminals, and dock warehouses. Call Adm. on the Seaway, 10th largest in the U.S. in

total tonnage. Call James McCarville, (715) Port of Green Bay, equipped for bulk com- 394-0210.

Berths for ships flying 20 different national

flags. And the U.S. flag.
Together they carry the tonnage leaving Wisconsin ports, 80% of which goes to major international ports on regular

These ports are equipped with the finest in handling and storage facilities. Refrigerated terminals, grain elevators, petroleum terminals, building materials wharves, liquid cargo terminals, bulk storage. There are mobile cranes, lift capacity for extremely heavy cargo, container handling, and much

Shippers laud the benefits of the Gateway Ports.

Wisconsin Department of

Robert C. Brunner, Secretary

Business Development

Excellent highway and rail connections and the modern facilities are just part of the reasons shippers like using Wisconsin ports. Turn-around time is faster, also, because of dependable, highly skilled stevedores. And expect no pillerage. That's how Wisconsin ports earned the national record for cargo safety.

Address	
Address	
Company	
Title	
Name	 .
Other Wisconsin Port	_
☐ Part of Superior-Dulutta	
☐ Port of Milwaukee ☐ Port of Green Bay · · · -	
l would like further information ab	ont:
☐ Send me your Ports Brochure.	
123 W. Washington Avenue Madison, Wisconsin 53702 (608) 256	-3222

Campaign to promote equities

MERRILL LYNCH, Wall Street's Wall Street's tireless campaign Stock urging investors to buy shares ably little in the last three the oil and natural resource 1979 levels in the latest bear position in the market while because they were "the biggest years. And if present trends stocks which have been star market. bargain around today."

Bally,

operation

knock down if one measures future. stocks in terms of their historical price/earnings ratios, or formance in terms of the Dow gains they made in energy simply their prices. Most shares Jones. Industrial Average stocks. But there must be just are trading at historic lows. (DJIA) (which, despite its Furthermore, a recent study of faults remains the most widely relative investment values by watched index) the market has Salomon Brothers, another Wall been in a rut since 1977. This Street institution, showed that would be bad enough but for last year stocks beat all kinds of the fact that that period securities in the return they spanned not only part of the gave investors.

duced a yield of 18.5 per cent, also included the best profits compared to 10-12 per cent for story the market is likely to currencies and anything from 10 per cent to minus 8 per cent

Some types of stocks did even predictable range of 750 to 900. better: the Standard and Poor's Three or four times it has suc-Some types of stocks did even transportation index topped the cessfully bounced back from list with a yield of 23.8 per cent. 750. But it has just as conAnd doubtless if Salomons had spicuously failed to break in the mid-1970s (as the U.S. calculated the yield of the index through the 900 level, suggestpulled out of its last severe reof last year's high-flying oil and ing that these figures must have energy stocks, it would have become branded in investors' done better still.

In the second in the second in investors' minds as their market

But the sad fact remains that despite not only the compelling rationale for buying stocks and smaller sister, the American exactly throb with promise. The

argain around today."

continue, this is unlikely to performers everywhere.

That definition is hard to change in the foreseeable Doubtless thousands

. If one measures market perlongest economic boom the U.S. Standard and Poor's 500 pro- has seen since the last war but

has traded within a remarkably

It is true that the NYSE's even these indices do not

Exchange

Doubtless thousands of investors have been rubbing their hands in satisfaction at the as many who were dismayed by the sharp drop in traditional stocks like AT & T, General Motors, IBM and Kodak, many of which are trading at their lowest point, not for years but for decades.

Performance

A more encouraging picture merges, however, if one market performance broad averages like the S& P 400 and 500, or even those averages like the Wilshire 5,000 which measures the composite performance of every single publicly quoted stock.

pulled out of its last severe recession) easing off in 1978 as fears of a new recession loomed, then surging again last year on the back of the oil boom. But

(Amex), S & P 500 only recovered its. The report concludes that brokerage house, to interest the investor (witness pushed its index to a record early 1977 level towards the end these developments are, not recently took out a series of the Merrill Lynch ad), the high a few months back. But of 1979. It then pushed ahead entirely healthy because the oil advertisements in the Press market has achieved remark- that exchange is dominated by only to plummet down to early sector has achieved its dominant

> It is also worth examining how much of this gain was thanks to the oil boom, and for two reasons; the oil price rise may turn out t be a once-for-all phenomenon, and what fattens oil company profits eats into the profits of everybody else.

> Kidder Peabody, the Wall brokers, recently the impact of oil brokers, analysed stocks on the stock market in the past thre years and concluded that it had been considerable. In the eight months between mid-1979 and last February, a period which saw the of the oil stock surge, Kidder Peabody estimates that oil stocks accounted for about 8 per cent of the 10 per cent rise in the S & P 500. Conversely, their subsequent plunge accentuated the index's overall decline by an estimated 2 per

Kidders' report also estimates that the 70 per cent gain in the earnings of the S & P Oils Composite in 1979 Jacked the gain for the 500 as a whole up from 10.3 per cent to about 20 per

economist, sees

terms which encompasses such

things as more variable rates

term financing. This year's catastrophe in the fixed income

cess has at least been accelerated, with disturbing implications for the per-

formance of the U.S. financial

It suggests that the U.S. finan-

cial system will become more

dependent on banks as a source

capital and a reduction in the

role of the public debt market

as an instrument for imposing

discipline on corporate manage-

ments. It also suggests that to a

growing extent finance will be

available on floating rates (either from banks or in the

debt market), a development

medium and long-term

system and economy.

cent.

"treacherous cross-currents"—upheavals in the Middle East, price volatility and so on.

Paperwork

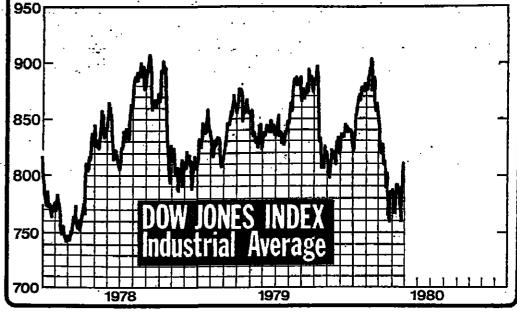
Literally areas of paperwork must have been churned out by Wall Street in an attempt to explain why stocks have done so poorly. Most of it centres on the host of factors which are eroding profits—new accounting standards, government regulation, inflation, taxation and so on. A further problem has to do with the fact that the market's better stocks tend to be the smaller capitalised companies which investors cannot follow, and which Wall Street's muchtrimmed analytical community lacks the resources to bring to their attention. (Only a tiny fraction of quoted stocks are followed on a regular basis by Wall Street, and less than half the stocks on the "Big Board"). Brokers who currently argue that the market is poised for a recovery point out that many of those profit-eroding factors must

now have been discounted. On the positive side, there is also the reduction in capital gains tax, political recognition of the need to stimulate invest-ment, and the "inflation-hedge" value of stocks of those companies with large natural resource assets. The growing interest in domestic energy development and national defence is also bullish. The list could be extended almost endlessly.

But will these really trigger the market? Arguably many of them have been discounted already: energy, metals defence and capital equipment stocks were all market leaders in recent months. The reduction in capital gains tax took place a long time ago. And while the Government may have recognised the need to encourage industry to update its capital equipment, it is still far from clear how and when it will act.

is heading into a recession was cooling. The sharp force which Wall Street's own econincrease gave way to equally omists predict could be quite severe, and there is no end in sight to inflation (in fact, the phased decontrol of U.S. oil prices over the next 17 months the silver market, namely the guarantees a steady rise in the Hunts and some undisclosed fuel component of the consumer foreign investors, led to a ciates. Fears over the financial price index for that period, probably longer). In these circum- small investor, hard pressed to stances it is hardly surprising come up with additional cash Group, proved to be unfounded. that investors seem reluctant to for margin calls at a time of commit their money just as record interest rates, took price of silver, which had trigcompanies face the toughest earnings squeeze since the early

wer equiv the output of 23 Hoover Dam



هكذامن الأجل

Commodity swings

record volume of activity on the U.S. commodity markets as investors disturbed by the growth of political tension and the seeming inability of President Carter to curb inflation sought a remunerative home for their funds. This inflow of speculative money into the markets fuelled a rapid rise in the price of major commodities traded in New York and

Chicago.

Many small investors were lured into the commodities markets for the first time; others — sizeable holders of precious metals contracts appeared to have stepped up their level of participation. The speculative fever was most striking in the silver market. Last autumn what was regarded by some officials as excessive concentrations in the hands of a number of private individuals was perceived to be adversely affecting the liquidity of the silver market. Steps were taken by officials of New York's Commodities Exchange to try and restore liquidity to the silver market by limiting the size of holdings of individual investors and raising margin requirements on each contract so that it became more expensive for investors to participate.

By early February, however, Meanwhile the U.S. economy there were signs that the fever sharp falls. The steps taken by Comex to prevent excessive concentration of boldings in the hands of a few individuals in decline in market activity. The

precious metals and other commodities continued to decline throughout February, as did prices. As the latter fell those investors still plugged into the markets were faced almost daily with growing demands for sizeable sums of cash to meet margin calls. Near panic resulted in the silver market when word leaked out that the Hunts, who are known to be one of the world's major holders of both silver and silver futures contracts, had failed to provide the cash to

meet some margin calls.

Questions were raised about the financial viability of several houses through which the Hunts transacted the majority of their commodity dealings, prices fell on the New York Stock Market amid rumours of the Hunts' enforced liquidation of a sizeable portion of their share portfolio and fears of some bankers that the crisis would have a domino effect on other financial markets. At least for one day the attention of senior officials at the Fed, the Securities Exchange Commission (SEC), the Commodities Futures Trading Commission (CFTC), and leading members of the financial community on Wall Street was focussed on the investment decisions and liquidity position of one Texan family.

The crisis proved as shortlived as it was disruptive, with the Hunts reportedly settling their margin calls within a week after intensive talks with various brokerage houses, officials in Washington and meetings with their Arab business assoviability of certain brokerage houses, in particular the Bache The precipitous drop in the

gered off the fresh margin calls, With the minor players that was halted amid rumours of the market conditions that bred traditionally go to make up a heavy buying on the European market virtually squeezed out, exchanges os spot silver. Condithe. volume of activity in tions on Comex in New York

plateau but with volume much reduced from the heady days of January.

The aftermath of the crisis was a renewal of the debate. which had blown hot and cold throughout the winter, as to whether the commodities markets were adequately supervised and regulated. Inevitably, given the sensitive nature of the dis-ruption of the silver market, a formal investigation began into the events leading up to the March crisis and the steps taken by the various bodies which acted as market watchdogs, notably the Comex itself and the CFTC in the weeks prior to the burst of the speculative bubble.

The jury is still out on this question but the CFTC, under the youthful chairmanship of Mr. James Stone, has called for tighter regulation of the markets. Mr. Williams, chairman of the SEC, in his speech to the House sub-committee investigatthe silver debacle, emphasised what he perceived to be the need for stricter regulation of the commodity markets by suggesting that Congress itself should play a part if neither the CFTC nor the Fed decided to step in.

Needless to say, while the committee hearings in Washington were focusing on the need for further regulation the view most frequently expressed on Wall Street was diametrically opposed, with most brokers vehemently rejecting further regulation of the commodity markets. Indeed some dealers went so far as to say that the action of Comex in trying to regulate the silver market more effectively by imposing higher margin requirements and establishing position limits was one of the factors that precipitated

Rosemary Burr

Bond market CONTINUED FROM PREVIOUS PAGE

to change the terms of a bond firmed in public recently what interest rate lending seems to long-term trend towards what issue to make \$200m of the others have been saying pri- be inevitable in the home loan he terms the "Europeanisation" \$300m issue an intermediate vately — namely that there is market, dictated by competitive of the U.S. bond markets—a term (eight-year) note instead to all intents and purposes no forces, and the fact that the of the Bell system's normal 40year maturity issue. It also had finance available in the pro- hit by heavy losses as a result and medium rather than longto pay an unprecedented 15.55 per cent for the 40-year bond. Subsequently, however, highly rated AT and T subsidiaries seeking funds have been able to raise them over 40 years at

fixed rates. Bond dealers estimate that other companies have been less fortunate, however. Hundreds of millions of long-term fixed income funding has been cancelled because investors imply did not want the paper. In such circumstances many companies have deserted the markets and gone to their bankers for credit instead. bankers for credit instead interest in future — Regulation Others, however, have also Q, which used to put legal begun to trim back their capital limits on how much interest spending programmes.

The dislocations in the public is being phased out over the bond markets also pose a next six years. At the same and cities. The private mort- have changed to make it easier gage markets too have been for lenders to alter the rates affected. Mr. Walter Wriston, they charge borrow the chairman of Citicorp, the the term of a loan.

market conditions in February second largest U.S. bank, connew long-term fixed interest perty market at present.

In the private house mortgage market the same is true. Historically American have bought their homes on fixed interest mortgages repayable over as much as 30 years. It is more evident in the home loan market than anywhere else that those days are over.

Legislation Congress recently passed

legislation which will require deposit-taking institutions to pay depositors higher rates of small depositors could be paid, they charge borrowers during

A growing volume of variable Brothers lending companies have been of the surge in interest rates over the past year. Lenders catastrophe in the fixed income will be less vulnerable to such markets suggests that the prolosses in future if they can vary interest rates on their existing loan portfolio.

Some are predicting that such variable rate financing will become prevalent in the corporate bond markets as well as the mortgage and property markets, particularly if the Government continues to com-mandeer a growing share of the fixed interest finance available.

From today's vantage point the difficult judgments to make are to what extent the manifestations of distress and accompanying structural change in the fixed income markets will pass if, as expected, the economy inflation rate and cyclical accompanying rates decline.

Dr. Henry Kaufman, Salomon

which puts a greater risk bur-den on the borrower which could result in more cautious capital investment decisionhigh interest making. S.F.

Designed for

Rockwell International is more than a builder of America's Space Shuttle.

Much more.

rising costs, Rockweit is creating products that

If you think of Rockwell International as a company that makes spaceships, you have good reason. We are prime contractor to NASA for Space Shuttle orbiters and their main engines, and for integration of the entire Shuttle system and selected payloads. The Rockwell-built orbiter is the world's first reusable spaceship, capable of at least one hundred missions into space and back, it will launch like a rocket, hauf like a truck, work like a space station, then return to Earth and land like a glider. But aerospace is only part of the Rockwell story.

 $e^{\frac{1}{2} \sum_{i=1}^{n} |\mathbf{h}_{i}|^{2}}$

Rockwell International is a major multi-industry company, applying advanced technology to a wide range of products --- in automotive, aerospace, electronics and general industries. Following are... some examples of our balanced diversification.

Aerospace.

Rockwell aerospace involvement extends well-beyond the Space Shuttle. Our rocket engines have been used to launch over two-thirds of all U.S.manned space flights and satellites, and we're building the Navstar satellites that are bringing totally new standards of accuracy to world navigation.

For general aviation, we build Sabreliner business jets and Jetprop Commander® 840 and 980 business aircraft. And we have a long, proud history as a designer and builder of military aircraft.

Automotive.

One-half of the highway tandem tractors in North America are equipped with Rockwell axles --- and more than half of the heavy-duty trucks stop with Rockwell brakes. We're also a major supplier of drivelines, steel and styled

aluminum wheels. mechanical devices, castings, steel wheel covers and other components for trucks. trailers, buses, vans and passenger cars. In this age of rising costs, Rockwell is

SUnited States

can help trucks and cars perform better. We've developed an electronic instrumentation system called Triomaster® which can provide truck fleet operators with data that can improve vehicle utilization and operating

Tripmaster helps a truck live longer - and a fleet operator manage his business

efficiency. Some of our components that can help cut a trucker's fuel consumption and increase payloads include a new aluminum front axle beam, Taper-Leaf® springs and Stopmaster® brakes.

aviation and government aircraft. We also make microelectronic systems and devices and missile guidance and control systems. And we manufacture and install

telecommunications

systems for businesses and

Electronics.

We're one of the world's

leading suppliers of avionics -

communications, navigation

and flight control

equipment - for air

transport,

governments worldwide. One of Rockwell's latest electronic achievements is the production of bubble domain memories. We developed and market

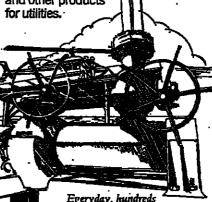
a device measuring about two-fifths of an inch square that can store up to 256,000 bits of information. It has no moving parts and its memory is not erased when power is

turned off. ibble memory device. Rockwell was the first company in the world to produce a 256,000-bit memory for commercial applications

Mechanical mass storage computer memories can now be replaced by smaller, faster, more reliable, more energy-efficient systems.

General Industries.

Most of America's major daily newspapers are printed on our Goss presses. We also make textile equipment industrial sewing machines, power tools, water and gas meters and other products

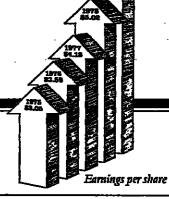


of millions of cubic feet of gas flow through the Rockwell Hypresphere ball valves on this production platform in the Gulf of Mexico:

In addition, our extensive technology is being applied to the world's growing need for alternate sources of energy. We're involved in projects for nuclear energy, coal gasification, flue gas desulfurization, and solar, wind and geothermal power. We also manufacture valves plug, pipeline ball, gate, globe, angle and check valves for America's power needs. Our Flow Control Division is one of the world's leading suppliers of high-

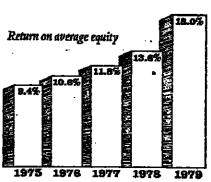
technology valving for U.S. and international energy markets. Rockwell valves are used in oil and gas production, transmission and processing natural gas

distribution pipelines; synthetic fuel processing plants; electric power plants; shipboard power plants; and in many other energy-related markets.



Earnings up in '79 4th consecutive year.

Rockwell International's total sales for fiscal 1979 were \$6.2 billion. up 16 percent over \$5.3 billion in the prior year. Net income totaled \$261.1 million, or \$7.33 per share, an increase of 48 percent over 1978 net income of \$176.6 million, or \$5.02 per share. Return on average equity has increased to 18 percent, which



is a substantial improvement over the previous year and nearly twice that of 1975.

For more of the Rockwell story. please write us for a copy of our annual report: Rockwell International Overseas Corporation, Rockwell House, 23 Grafton Street, London, WIP 5LG, England.



where science gets down to business. Automotive/Aerospace

Electronics/General Industries

FINANCE AND INVESTMENT IN THE U.S. VIII

Progressive squeeze on bank profits

"Where competing markets exist, we consistently find COMEX superior in liquidity, tightness of bid/ask spreads, and in the speed and accuracy of execution and reporting of trades."



computer software makes quantitative comparisons of we carry out each year. Theodore Thomte, President Thomas & Co., Inc.



Professional futures traders recognize the efficiency of COMEX markets.

"As one of the world's largest and most computer-intensive commodity trading advisors, we trade extensively in all major futures markets. Our execution experience possible over the thousands of trades

T-BILLS the efficiency of COMEX markets. For more information call or write: Commodity Exchange, Inc. Four World Trade Centler, NY 10048 (212) 938-2900

Discover the newest investment story in the United States for yourself in First Pennsylvania Bank's 36-page brochure.

The newest investment story in the U.S.A. As told by its oldest bank.

International business executives are discovering the City of Philadelphia when they consider investment or relocation in the United States. First Pennsylvania Bank has prepared an illustrated. informative brochure that tells

the story. Philadelphia is the country's fourth largest market and is within easy reach of Boston, New York and Washington. This section of the

United States offers the most concentrated buying power in the nation. The city has a labor pool of over two million skilled workers. It boosts the world's largest freshwater port. It enjoys educational. cultural and historical assets.

Since 1781, First Pennsylvania Bank has been an integral part of Philadelphia. We can give you experienced help with oils help with site selection, financing, commercial banking

services and many other needs. Consider Philadelphia in your business plans. To receive a copy of the brochure "Philadelphia: Tradition and Innovation," we invite you to write to Henry H. Frothingham, Vice President, First Pennsylvania Bank, 5 Trump Street, London, EC 2V 8HP, England.



international Group ... Philadelphia, Pennsylvania U.S.A.

© 1980 First Pennsylvanica Bunkse With offices in: Frankfurt and London, Mexico City, Sao Paulo, Singapore, Tokyo, Nassau, Casta Rica, U.S. and British Virgin Islands.

As the first quarter's earnings reports from the leading US banks came in it was apparent that rising interest rates had indeed, as many analysts pre-dicted, produced a harsher climate for the industry than the one prevailing through most

of the previous four years.

During that period the brake which loan losses from 1974-75's recession had put on bank earnings steadily diminished. The banks enjoyed surging credit demands, particularly from the consumer sector, which helped to put an inflationary gloss on their profits. And through much of the period international loan demand was strong, too. This helped the big money centre banks, particularly those in New York, enjoy generally rising earnings after 1976, while for the industry as a whole quarterly earnings gains were in the 15-20 per cent range until the end of 1979.

the end of 1979.
Today, however, it is apparent that the banking industry is at a turning point. The most immediate problems, and opportunities, seem to be emerging in their domestic markets. But the climate in which the inter-national banks are operating has been adversely affected by ments including the Iranian situation and the prospect of a growing OPEC surplus. It is far from clear that the current hardening of lending terms against some international borrowers, particularly developing countries, will be maintained or be sufficient to compensate for

Unprecedented ...

Domestically, of course, the essures are coming primarily from the surge in interest rates which took the banks' prime lending rate to an unprecedented 20 per cent in March, the Federal Reserve's new credit restraint programme announced in the middle of that month, and the recession which most economists are once again confidently predicting will follow as a result of these

The evidence has already appeared in earnings reports of banks that the rise in interest rates has hit profits. The spread between the cost of funds to banks and their lending rates

were generaly squeezed in the first quarter while those banks which misjudged the direction of interest rates and took fund-ing decisions on the basis of these erroneuos predictins have been badly caught out, most notably the First National Bank

of Chicago. Citibank also took a body blow in the first quarter largely because of the rapid build-up over the past 18 months of its consumer loan portfolio. State usury laws prevented it from keeping lending rates on this business abreast of its funding costs. This was one of the reasons its earnings - despite a \$40m pre-tax foreign exchange - plunged from \$125m profit — plunged from \$125m in the first quarter of 197 to \$83m in the corresponding period fo 1980. Elisewhere around the country banks have been hit by usury ceilings and also by the big sums of money invested in fixed-interest long-term home loans, some of which were made when rates were in were made when rates were in

single figures. The latest casualty is the First Pennsylvania Bank of Philadelphia, the country's 23rd largest bank with assets of \$90n. In one of the biggest rescue operations the American banking community has seen the ing community has seen, the U.S. Government and a group of commercial banks have put together a \$1.5bn package to bail out the ailing member. The rapidity with which the arrangements were settled seems to emphasise the concern of the authorities to bolster the confidence of a community already badly shaken by a series of crises in other sectors in recent

The ubrden which this has put on their profits is all the heavier because the structure of their deposit liabilities has been changing too. The pro-portion of their funds which has been on deposit interest-free or under the 5½ per cent Regulation Q ceiling has been declining. Customers have declining. Customers have been taking money out of the banks and putting it into money market mutual funds (whose assets have grown from \$10bn at the beginning of 1979 to over \$60bn currently) or into money market certificate-type accounts at the banks which pay marketrelated deposit rates.

For some institutions these

were. The greatest anxiety of course centres on the problems posed for the savings banks and savings and loan inthat even for some commercial banks it has become a question of survival. This is one reason why bank and savings institution regulators last month asked Congress for special legislation to facilitate rescue of troubled financial

institutions. (That legislation incidentaly contains a provision for the acquisition of one bank in financial difficulties by another institution outside the State where it operates. If passed, this is seen as an important breach in long established U.S. banking law, which currently prevents a bank from acquiring another bank in a different state.)

Anticipation

Recent declines in short-term interest rates should have eased some of the pressures on banks and thrift institutions, but many remain. There is already evidence of banks beginning to build up their loan loss reserves in anticipation of problems among some of their customers. Moreover, few are anticipating a steady downward drift in U.S. money rates, even if the anticipated recession materialises.
The shift in Federal Reserve
policy towards managing bank reserves directly rather than through the Federal funds interest rate suggests that short rates will be more voltatile and this is one reason why analysts expect the downward drift in rates to follow a "sawtooth" pattern which will make it more difficult for the banks to manage their liabilities.

But perhaps the greatest un-certainty in the immediate future surrounds the outlook for lending volume in the U.S. On the one hand the Federal Reserve's penal reserve requirements on managed liabilities are expected to begin to bite and are one of the pressures which have led to the determined efforts many banks have taken to curb consumer lending. In addition, hoewever, the Fed is that the banks "voluntarily" keep their credit growth within a 9 per cent growth ceiling—which compares

for increasing volume domestically to offset shrinking spreads How effective the Fed's pressure

will be is a matter of dispute. The banks at the end of February had some \$248bn of unused lending commitments outstanding which they feel legally obliged to fulfil if their customers request it. This compares with outstanding commercial loan volume of around \$160bn. Historically, of course, such commitments are rarely anything like fully drawn. But unlike earlier periods of tight money this time the long-term bond markets do not offer so attractive an alternative to bakns, and for many companies long-term bond finance is vir-tually unobtainable. This, coupled with rising cash needs as a result of inflation, could result in soaring commercial

There is the potential here for a sharp conflict between the banks and the Federal Reserve, and at a time when bank capital is still being eroded by infection. loan demand.

inflation. For all these reasons short-term outlook for the U.S. banking industry is to say the least difficult to predict. Ironically some of the longer term trends appear to be coming into sharper focus. This is because of the recent passage in Washington of the Depository Institutions Deregulation and Monetary Control Act.

For commercial banks most important aspect of this legislation, perhaps the most far reaching financial reform legislation in fifty years, is that it will over a transitional period put the banks on an equal competitive basis with the thrift industry on such matters as reserve requirements and interest rates payable on deposits. It also provides for Federal law to preempt state law in setting usery ceilings limiting the interest rates which can be charged to borrowers. In general regulations which have distorted banking markets because they were designed for a period when inflation and interest rates were much lower, have begun to be removed and this is an important gain for the banking industry.

Energy policy under fire from business world

AMONG THE welter of political and economic challenges that have faced the Carter Admini-stration over the last four years, few have proved quite as durable as the energy problem. Oil, natural gas, nuclear power all have provoked crises of one kind or another. And at least one of them oil has greatly complicated America's foreign policy in the last 18

But though Mr. Carter has been attacked on all sides for his handling of the energy crisis, he has stuck grimly to his guns, trying to gain accept-ance for his policies. As his current tenure in office draws to a close, energy may well turn out to be one area where he can claim, with some justifica-tion, to have made progress. However, the thrust of his approach has been to increase rather than decrease the Federal Government's role in

energy. This has made him a lot of enemies in the business Mr. Carter came to power on

a promise to do away with the deeply-rooted system of U.S. energy price controls which had kept the cost of oil and natural gas well below the open international market at a time when the rest of the industrialised world was having to absorb escalating energy prices.
Although this was a great boon to U.S. consumers, it distorted the U.S. economy to a point where it began to display severe signs of strain; soaring oil imports, wasterulness, and an alarming vulnerability to disruptions in the Middle East.

Battered

As it turned out, Mr. Carter was unable to do away with controls as quickly as he had hoped. His ill-fated Energy Bill was kicked around in Congress for nearly two years before it moved, battered and greatly enfeebled, on to the statute book. But it did at least pave the way for decontrol of natural gas prices by 1985 .

Mr. Carter had better luck with oil decontrol. An earlier Act of Congress gave him the authority, from the middle of authority, from the middle of trol timetable in his latest anti-last year, to ease or completely inflation package. But as it However, all this is not abolish oil price controls. He turns out he tended towards the expected to lead to a sharp

He was sharply criticised for failing to abolish them immediately. It would have been politically impossible to do this, however, given the country's already high rate of inflation. Economically, too, there would have been massive disruptions if the price of oil rose more than 50 per cent (as it would have) overnight.

windfall profits tax " failed to take into account the popular indignation that was bound to greet the huge increase in oil company earnings that decon-trol would bring.

The windfall profits tax, which finally became law last month, was designed to cream off about half the profits resulting directly from decontrol. But it was structured in such But it was structured in such a way as to fall most heavily on oil already in production, and more lightly on newly discovered oil or oil extracted with advanced techniques. The aim was to encourage oil companies to go out and find more oil or extract a higher proporoil, or extract a higher propor-tion of oil from their wells.

The tax was strongly criticised by the oil industry and some quarters in Wall Street as unfair and, in the end, counterproductive because there was on guarantee that the Government could do a better job of developing energy than the energy companies themselves. But this won little sympathy from a generally anti-business public and Press.

The striking aspect of Mr. Carter's commitment to energy price decontrol is its doggedness. Even though energy is now one of the largest com-

in energy prices.

If decontrol does complete its course, the average oil price will reach the world level by October 1 next year. At the moment it is in the region of \$18 a barrel, compared to around \$30 or more elsewhere. Decontrol will have two major consequences, parts of which are already evident.

One is to compel the economy to adjust to the energy problem Similarly, criticisms of his parallel decision to introduce a "windfall profits tax " follow the energy problem by measures such as development of fuel-efficient technology and exploitation of non-oil fred-Conservation has already shown dramatic results. With the price of petrol up more than 50 per cent in the past 12 months, con-sumption has fallen sharply. In fact it may already have peaked for good and all, particularly given that transition to the new generation of fuel-efficient cars is well under way. This winter also brought a fall in heating oil consumption, thanks partly High fuel costs are also forcing industry to adapt to new realities. Fuel-efficient machinery is in great defand, as are such obvious items as insula-

tion and high-efficiency engines. Exxon, the world's largest oil company. recently paid out \$1.2bn to buy Reliance Electric, a leading maker of electric engines, specifically to develop and apply technology for alter-nating current synthesisers gadgets which regulate the flow of electricity to electric motors and conserve energy. The other consequence of

decontrol is an acceleration of the quest for new domestie fuel sources. With oil now earning a much higher return, companies have reopened old oil wells once considered uneconomic, or set plans to instal advanced recovery equipment in less productive wells. The pace of exploration has ponents in the rise in the consumer price index, he has the wilder and offshore regions apparently withstood the temptation to halt decontrol as a prohibitively high in the past.

"quick fix" for the infation

But there has also been a lot problem. There were fears on of new and re-exploration of Wall Street, for instance, that known oilfields for deposits he might tinker with the decon-which could prove attractive in

took advantage of it to order a opposite. He slapped an extra increase in U.S. domestic oil phase out by the end of tax on petrol, which had the production, at best only a September 1981. has gone on in the last ten years. The "bottom line"—a fall in U.S. oil imports — will hav eto come through develop-ment of other fuels like oil shale, synthetic fuel (coal liquification and gasification), solar energy and nuclear

power. Special Government grammes are being set up for all of these. Part of the yield from the windfall profits tax will be earmarked for a Federal Energy Development Corporation which will promote new fuels through research finance and purchase commitments. The Administration also wants to establish an agency with special powers to cut through the bureaucracy and speed priority energy projects. The fate of this plan will provide an interesting test of the strength of the environ-mentalist lobby, which some people think has gone into decline since the energy crisis began to hurt the general

Safeguards

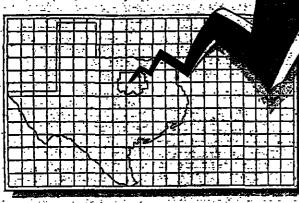
Nuclear power remains a special case. A 12-month moratorium on new nuclear projects followed the widely publicised accident at Three Mile Island last year. However, Mr. Carter's position is that nuclear power has a role to play in America's energy future, providing the safeguards are adequate. He also recently took the significant step of proposing ways of disposing of nuclear waste, one of the big stumbling blocks in the way of nuclear power development.

The energy policy legacy left by this Administration will be more of a foundation than a mechanism. Decontrol, the establishment of the necessary agencies to speed energy development and a framework for nuclear power will be in place. All these should help lay the basis for a sounder energy economy. But it will be up to the next Administration to make sure that something comes of them.

D.L.

Almost any business can succeed in the Dallas and Fort Worth area. We have all the ingredients to help your business grow.

We're located in Northern Texas, in the middle of the United States "Sunbelt"



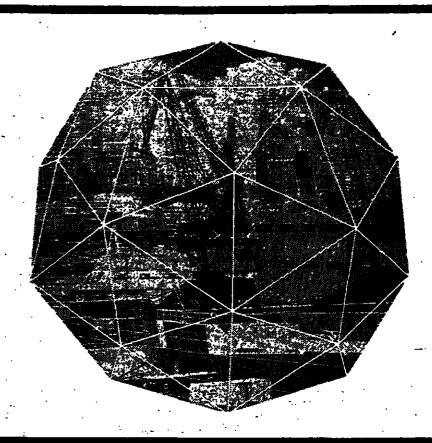
We have plenty of prime undeveloped land for industrial sites. Room for expansion is virtually unlimited.

We're a natural distribution and rail centre, located halfway between New York and Los Angeles. And we're also serviced by an excellent highway network and the largest commercial airport in the United States.

Our weather: keeps it open 99.5 percent of the time. The weather here also creates a high quality of life. But one of our biggest attractions is the positive attitude our civic and political leaders take toward new business. Our labour is hard-working, too. And there are no Texas personal or corporate income taxes. You'll do well because the people here want you to do well.

For more information about expansion opportunities, please write: W. M. Blake, P.O. Box 61246, Dept. 300, The Dallas/Fort Worth Airport, Texas 75261, USA.

The Geobankers can put \$350 million in daily export/import experience to work for you.



GEOBANKING®.

It is the way of worldwide banking at Manufacturers Hanover, a major U.S. bank with nearly \$50 billion in assets and a tradition of service dating back more than a century. GEOBANKING EXPORT/IMPORT

From more than 100 strategic

offices, subsidiaries and affliates in 40 countries, the Manufacturers Hanover Geobankers expedite nearly \$350 million in international trade transactions every working day.

With export bill collections. Payments, collections, and reimbursements. Foreign exchange purchases and sales. Bankers accept-

ance financing. And export/import letters of credit directed through its overseas network and through more than 4,700 U.S. and overseas correspondent banks linking over 130 countries around the globe.

Put the total global commitment of Manufacturers Hanover to work for you. Contact a Geobanker today.



MANUFACTURERS HANOVER The banking source. Worldwide.

Jones Lang Wootton

A major force in U.S. real estate

Jones Lang Wootton operates a coast-to-coast network of offices with a staff of seventy in four locations, providing the full range of professional services familiar to our clients worldwide.

We are particularly active in the U.S. property marketplace on behalf of investing clients, acquiring and managing commercial real estate of every type, in some cases through joint ventures with well-established local owners or developers.

Our growing staff of valuation and management specialists now numbers seventeen and our office leasing facilities in New York City provide one of the most comprehensive services available.



375 Park Avenue, New York, New York 10022 212-688-8181 Telex: 425793

7 Hanover Square, New York, New York 10004 523 West Sixth Street, Los Angeles, California 90014 Two Post Oak Central 1980 So. Post Oak Road, Houston, Texas 77056

Relocating or expanding a business is a time-consuming, complicated process, but...

"When it's done by professionals, it's done right"

The Philadelphia Industrial Development Corporation is one of the oldest economic development agencies in the country—and the best.

For over 20 years we have been helping companies like yours with everything from low-cost, long-term financing packages to the issuing of permits and licenses.

We have the broadest possible spectrum of programs to fit any individual project need, and a remarkable range of on-staff expertise in law, real estate, marketing, etc.

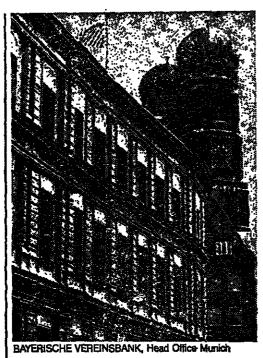
Perhaps most importantly, our close working relationship with government agencies and local lending institutions slices through red tape . . . and gets things done.

Relocation or expansion can be a confusing, even a costly process. PIDC is here to help you—every step of the way. Call or write today.

en Philadalphia

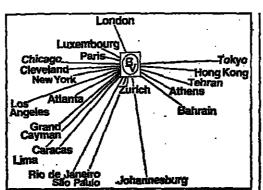
FT-5/80
·
 .
<u></u>

NEW YORK, CHICAGO LOS ANGELES ATLANTA, CLEVELAND



... these are just a few of the financial centres in which Bayerische Vereinsbank, one of Germany's major banks with consolidated assets of over DM 82 billion, operates.

In the USA Bayerische Vereinsbank is known under the name UNION BANK OF BAVARIA with offices in New York, Chicago, Los Angeles, Atlanta and Cleveland.



For further information please contact:

Union Bank of Bavaria (Bayerische Vereinsbank) New York Branch 430. Park Avenue

New York, N.Y. 10022, USA Telephone: (212) 758-4664 Telex: 126745 ubbnyk b

Bayerische Vereinsbank (Union Bank of Bayaria) London Branch 40, Moorgate London EC2R 6EL, Great Britain Telephone: (01) 6289066 Telex: 881,3172/3 bvlg

Bayerische Vereinsbank Head Office International Division Kardinal-Faulhaber-Strasse 1 D-8000 München 2 Telephone: (089) 2132-1 Telex: 529 921 bvmd SWIFT: BVBE DE MM



the facilities to produce essential metals.

In the decade of the 80's, America's need for nonferrous metals is expected to increase at a steady pace. As the world's largest, most diversified custom smelter and refiner, Asarco is in a good position to help meet the nation's demand

for copper, silver, lead, zinc and other metals. Many mining companies do not have the facilities to convert their ore into metals. To service them, and to process the ore from its own mines, Asarco operates six smelters and four

refineries in the United States. Our Amarillo, Texas, copper refinery and our lead smelter and refinery in Glover, Missouri, are the most modern in the nation.

In terms of refined metal production in 1979, Asarco ranked first in the U.S. in silver, second in copper and lead, and fourth in zinc.

For more information on Asarco, write for the latest copy of our Fact Book. ASARCO Incorporated, 120 Broadway, New York, N.Y. 10005.

Metals & Minerals

Co-operative mood among the unions

LABOUR RELATIONS, along with Government regulation, are among the biggest worries of companies making acquisitions or setting up plants in the U.S.

Apart from the fact that labour relations ought to be close to the top of any chief executive's list of priorities, one really wonders why this con-vern emerges with such acuteness when foreign businessmen look at the U.S.

look at the U.S.

One of the reasons is that urvey researchers send their questionnaires primarily to businessmen in countries which are heavy investors in the U.S.

— notably West Germany, Japan and the U.S.

This not difficult to one when

Japan and the UK.

It is not difficult to see why German and Japanese businessmen might be suspicious of the record of American labour, although even in these quarters the only really justifiable reservations would be flagging individual to the control of the c industrial productivity, which cannot be pinned purely on labour, and, for the Japanese,

Certainly there are no scare stories in the level of strike action. Days lost through industrial action have stayed between 31m a year and 39m a year (in 1978) for the last five

More important, union power in the U.S. is definitely waning. At the last official count only 24 per cent of the non-agricultural workforce belonged to a

The proportion is higher in the industrial Mid-West and highest of all in New York State, where it is 39 per cent. largely because of solid unionism among public workers in New York City.

Reputation

In South Carolina, which maintains its reputation as the country's shrine of anti-unionism, or "right to work," depending on your point of view, the figure is 8.9 per cent. The traditional weakness of the trade union movement in

Almost one million jobs are thought to have been exported from North to South in the last

But the southward drift does not altogether explain what has happened to union membership, and it does not even begin to explain the even more surprising response of the labour

Another factor in declining membership is the weakening of traditional heavy manufacturing industries, such as steel and motors, and the rise of high technology and service industries. An inadequately organised leadership has failed to offer persuasive reasons for union membership to workers who are benefiting from the generous if sometimes clammy hand of benevolent capitalism, exemplified and almost glorified by companies like International Business Machines.

Leadership

At the moment, the labour movement and its leadership in the American Federation of Labour-Congress of Industrial Organisations (AFL-CIO) seems less intent on meeting these challenges of the 1980s, the neglected challenges of the 1960s, than on repairing the deep divisions within its own ranks and exploring the path of co-operation with a Democratic Administration.

The internal wounds look ripe for healing in the wake of the retirement last autumn of Mr George Meany, 85, the blunt-spoken HFL-CIO president for 25 years. His successor. Mr Lane Kirkland, is most commonly characterised as a softer talking, slightly more intellectual version of Mr Meaney, with a strong interest in foreign affiairs -a department he was allowed to run at the AFL-CIO even under the authoritarian regime of Mr Meany.

Mr Kirkland may yet prove to be much more than this in spite of his lack of personal charisma. One of his earliest acts was to push through the organisation's ruling council an offer for re-affiliation to three estranged unions—the United Auto Workers, the United Mineworkers and the Interthe South remains the biggest Mineworkers and the Interfactor behind the falling national Brotherhood of Teamsters-which together have 4m members, compared with the existing AFL-CIO's 13.6m.

Clearly this was an act of accepted it will be a useful first 11 per cent this year. It now economy to lie down and tumble it has become conventional wis-

LABOUR CONTRACTS TO BE RENEGOTIATED THIS YEAR

May: 35,000 aluminium workers 790,000 construction workers

18,000 New York power workers 25,000 copper workers August: 700,000 telecommunications

September: 75.000 East Coast dockers Setember-December: 91,000 textile workers October-December: 52,000 aerosace workers

dom that the most effective poli-tical pressure group in the U.S. is big business.

The second leg of the stra-tegy is the "national accord" which Mr Kirkland has entered with the Carter Administration, even though that accord is still officially under review following the Budget cutting proposals made by the President in his March programme for reducing

inflation. Review or not, President Carter has a great deal to be thankful for in the way the unions have behaved. Although there were major strikes last year by rubber workers and the teamsters, whose membership extends far beyond road haulage into hospitals and public workers, wages rose by only 8.7 per cent. according to Government figures, while the Consumer Price Index rose by 13.3

per cent last year.
That was the second successive year in which wages have lagged behind price rises-arguably more a symptom of union weakness than political support for Mr Carter—and the trend so far this year seems firmly in the same direction.

The AFL-CIO participates in the Administration's council on wage and price stability and is thereby a signatory of the voluntary wage and price guidelines for this year of 7.5 to 9.5 per

when inflation looked like members in the last six years being around 10 per cent or has been the refusal of the U.S. search of easier labour rela- step in improving the political looks as if it will be closer to into a recession.
tions now that the threat of clout of labour at a time when 14 or 15 per cent. The recent steelworkers'

rescue plan.
All this looks like ensuring that for a third year there will be no wage-push element in U.S. inflation. In a meeting with the AFL-CIO last month Mr. Carter acknowledged as much when he said: "Yon've taken some heat for restraining wage claims. But because of your co-operation, wage increases have not been the cause

of this speed-up in inflation."

settlement was particularly important. It will be expensive

for the industry because of its

built-in cost-of-living-indexed increases, but it was more moder-

ate than many had feared. The steel union did not press hard

for an improvement in the cost-of-living formula of the kind won last year by the car

Another indication of union compliance has been the behaviour of the United Auto

Workers Union over the Chrysler affair. Not only did

the union agree to give up some

of the wage and conditions gains agreed in its Chrysler contract last summer, but it

appears to be accepting without

argument the need for Chrysler to be drastically slimmed down

Hopeless

It is probable that the spectre of Mr. Ronald Reagan in the White House will keep the unions on the side of Mr. Carter this year, even though the President appears to be offer-ing little in return. He has imports and is firm about the Some major unions, including the car workers, supported Senator Edward Kennedy's candidacy, but that now seems

Even if unemployment were to take off from the 6 per cent around which it has hovered for over a year, fear of Mr. Reagan would probably be too great to change the political loyalties of organised labour this year. But an acceleration in unemployment might have one bonus for the unions—an increase in

membership. Some union officials believe the biggest reason for their lack That agreement was reached of success in recruiting new has been the refusal of the U.S

Ian Hargreaves

Most industries geared for lower earnings

normally temperate Mr. Lewis Foy, chairman of Bethlehem Steel, America's second largest and the world's third largest steel company, sums up well the feeling of the country's chief their podiums at annual meet-ings and indulged in the obligatory bout of crystal-ball

Mr. Foy was speaking, should an explanation be required, of reason to be liverish. If Mr. 25 years. Foy had read the steel market as badly as most economists have read that U.S. economy in the past couple of years, his-company might well be out of

The uncertainty about the economy, compounded and in some respects created by the uncertainty in international and national politics, has made most company chairmen cautious, to say the least, in their lateset

round of speeches.
There is not much doubt, however, that 1980 will not be a godo year for corporate profit-ability in the U.S., with the quarterly results season just drawing to an end - with reports of doubling or near doubling of net profits widespread across the industry. Exxon, the largest, has nudged General Motors from its notch as America's largest industrial corporanewly updated Fortune 500, no fewer than five are oil com-

windfall profits tax, likely to repeat the act this year, closely followed by the oil service companies such as Schlumberger. Overall last year, corporate profits came in around 20 per the oil companies, which bene-fited exceptional from infla-

any more than anybody else on and the performance looks at materials costs, these costs have profits up only 6 per cent in the the street does." This intembest lacklustre. This year, with not ben as great as those exfirst quarter. Dow Chemical, perate remark, made by the the economy cooling rapidly, perienced by European competitude the biggest upstream company. The company temperate Mr. Lewis there could be some nasty surtors, with the results that an with strong interest in agri

be the motor industry. Ford will probably make its thirs executives as they have mounted annual loss, having registered their podiums at annual meet- a \$163.6m loss in the first quarter. General Motors, the industry leader, was also down, by 87.7 per cent, and Chrysler looks as if it could again emerge as industry's heaviest loss-maker this year—a position it economists — professinal eco-maker this year—a position it nomists — and he has some has held four times in the last

The motor industry's problems at the hands of importers and an American public reacting to higher fuel costs and record interest rates pass through to the rubber industry, which has having failed to read the market's switch in prefernece towards the longer lasting radial

Exploration

The steel industry is looking to the oil industry's sterngth and the growing pace of exploration in North America to take up conspicuous exception of the oil most of the slack in steel industry, which to its grave poli-demand created by the probtical embarrassment has pro- lems of the motor industry. U.S. vided most of the drama in the Stel. the biggest company, was lems of the motor industry. U.S. back in the black in the first quarter after its record-breaking write-off caused by closures at the end of last year. As with the motor industry, imports are a problem.

For the airlines, the cost of fuel is a giant headache. With tion and of the top 10 in the aviation spirit costing more than double the level of a year ago and demand softening in spite of continued aggressive market-Oil was the star performer ing in the post-Deregulation in 1979 and looks, despite the Act atmosphere, some companies could be seriously hurt. United Alrlines, the largest, passed its ordinary dividend after reporting a more than \$40m loss. There were big losses too at Transworld, Pan American and cent higher, but after taking Braniff. Mergers could be the away the leavening supplied by order of the day later this year.

caught two ways by the energy

"IT'S JUST hogwash. They just tion, and the general effects of situation. Although it issuffer also suffered from the problems don't know what's happening price inflation in the economy ing from rapidly increasing raw of the motor market, with any more than anybody else on and the performance looks at materials costs, these costs have

first quarter. Dow Chemical. the economy cooling rapidly, perioded by European competi-there could be some nasty sur-prises in store for company pro-fits.

Heading the casualty list will

Heading the casualty list will

be the motor industry. Ford

Tors, with the results that an with strong interest in agri-export boom is concealing some chemicals, pounded ahead, how-weakness in the domestic ings increase.

The motor industry. Ford

Tors, with the results that an with strong interest in agri-export boom is concealing some chemicals, pounded ahead, how-ever, with a 30.6 per cent earn-ings increase.

The motor industry. Ford

.CONTINUED ON NEXT PAGE

THE OPTIONS

to help you make those tough options trading decisions.

You can calculate put & call prices, option leverage, hedge ratios. option price movement 'on the fly,' over, under valuation and much more — wherever you happen to be. The Options Analyst's preprogrammed Texas Instruments calculator also lets you generate profit/loss projections for option purchases, spreads, combinations, covered/ratio/naked writing — 34 different strategies in all — quickly

You'll get more efficient use of your analysis time by leaving the detailed calculations to the machine. Full mathematics are built into the Options Analyst system: so operation becomes a simple step-by-step process as described in your detailed User Manuals. All calculations are based on industry-accepted mathematical models so you can use the data with confidence no matter what investment method you currently

To help further. Datalab publishes two newsletters, a monthly and a bi-weekly, that supply Implied Volatilities using the Black-Scholes pricing model for all options traded on the five U.S. Options Exchanges, so your calculations remain accurate and up to date. To receive a comprehensive brochure which we have arranged to post locally, just mail this

Inquiry Form to: DATALAB INC Gelderd Road Leeds LS12 6BL, U.K.

(in U.K. use FREEPOST) (United States offices:)
DATALAB INC. 3634 Science Center Philadelphia. PA 19104



FINANCE AND INVESTMENT IN THE U.S. XI

Financial futures begin to catch on

THE RECENT upheavals in the credit and foreign exchange markets came just at the right time for America's fledgling financial futures—those little understood but rapidly growing hedging and speculative instru-ments. Turnover has soared, as has the range of financial insti-tutions and individuals using

Indeed their success has been such that exchanges are falling over themselves to start financial futures of their own, or dream up new ways of applying them. Not all ventures have been successful, of course, and the reaction to innovation still tends to be wary rather than welcoming. But few members of the investment community would deny that financial futures are estined to play a major role

Financial futures come in many forms: interest rates, currencies and, most recently, stocks. But the underlying prin-ciple is the same. They offer a means of hedging against changes in hie value of financial instruments: bonds, bills, major currencies and shares.

First introduced in Chicago in the early 1970s, they are traded like commodities. One trader enters into agreement with another to buy or sell a given quantity of a particular fina-ancial instrument at an agreed price at some day in the future. The price reflects both parties expectations of likely trends in the value of that instrument. A trader who expects the value of . currency or bond to go donw will "short" the market, or sell, hoping to buy for delivery at a later date when the price is lower. A trader who expects the value of instruments to rise will go "long" or buy in the hopes of selling later for a profit.

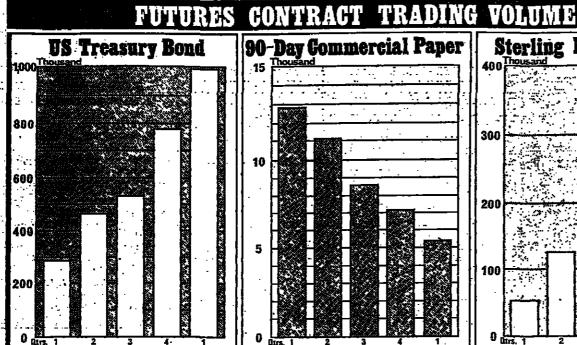
Portfolio

Since the value of bonds and bills is determined by the level of interest rates, trading in particular instruments enables an investor to hedge against changes in rates which might affect his investment portfolio. Similarly, currency and stock futures offer a means. of protection against changes in the foreign exchange and stock

larly attractive because, like process which could take some commodities, they can be time-bought on margin. The pur Two of the plans are broadly fraction of the value of the contract, which means he can carry a large position at small cost providing the market does. not turn too far against him. If it does, he will be required to cover his position by "margin

There are a number of dis-advantages, of course. If the investor guesses the market. Thus, as in other types of wrong, he will make a large financial instruments, an

CONTINUED FROM PREVIOUS PAGE



simply brokers' fees.

early

futures

interest

market.

90-Day Commercial Paper

financial futures in a big way

Sterling Futures (IMM

loss Moreover, no hedge ever investor who sees the offers perfect cover, and simply entering the market usually involves certain costs, whether in terms of opportunity or As recent developments have however, the financial market, particularly could make his move could buy

attractive to the investment community to the time of the collapse of the U.S. bond profit at a later date. The Chicago Board of Trade thought these plans were too broad, however, since few investors need to protect themportfolio managers pension fund manselves against moves in the agers who hedged their position. whole market, only in specific sectors. So it proposed instead in financial futures correctly will have suffered much lower ten separate contracts based on osses than those who did not. The fluctuations of the particular industries like motors, banking, chemicals, etc., currency market can also be plus an eleventh composite

stock futures and sell them at a

offset by taking appropriate contract. But the rapidly growing popularity of financial futures has not entirely dispelled the clouds that hang over them. to act out of conviction about Although authorities in Washington have allowed them to go ahead, the Share price futures are still only on the drawing board. However, three exchanges (the Treasury is still worried about two large Chicago commodity exchanges and Kansas) have put the implications of interest rate futures for its financing plans, forward plans for aprpoval by the Washington regulators, a because most contracts are based on Government instruments like 30-year bonds or

Treasury bills.

contracts based on the value of Proponents futures argue on the other hand that far from distorting the market, these contracts ease the the market would trade con-tracts for delivery in cash rather than shares (which were Treasury's job of raising money by enabling investors to hedge atever positions they take up Treasury securities.

The foreign exchange markets are also wary of the influence market can occasionally exert on the cash market. Sharp move-ments in futures have been known to push currencies up or down, though this usually happens only on quiet days when there is little else to move

In rushing to start up financial futures of their own, exchanges are having to tailor their contracts closely to the needs. A notable casualty in this respect was the Commodity change, the financial futures subsidiary Exchange. American Stock Formed only 18 months ago, it failed to attract a sufficient volume of business to stay alive, and it is currently being

Apart from all the tech-nical problems, though, perhaps the quarter. the greatest barrier confront-All in all, despite the ing financial futures is under-scepticism about economic fore-standing. All the major exchanges that now trade them have launched sophisticated education programmes designed to explain what-as they admit —are extremely complicated financial devices. In fact the understanding gap is so wide that few people can honestly claim to grasp financial futures I.H. completely until they have actually entered the market

market declining would short for hedging, speculation and the futures market, and make a profit which would offset his all but the most expert. But loss in the stock market proper: such is the nature of the market the stock market proper. loss in the stock market proper. such is the nature of the market An investor who wanted to buy that it is often hardened comstocks in the future but foresaw modity speculators rather than a rise in the market before he sophisticated financial minds modity speculators rather than who learn quickest what it is

all-about.

For the markets themselves, the good news is that ordinary

While this might seem to defeat the fundamental aim of such instruments, which is to hedge, their participation adds greatly to the market's liquidity and also helps ensure that prices do not stray too far from the underlying cash market.

Coast to Coast Service For United States Real Estate Investment

From One of America's Most Experienced Real Estate Organizations



- Commercial and Industrial Property Acquisition and Sales
- Management and Leasing
- Development and Management Consulting
- Appraisal



For more information about the unique property investment service of Cushman & Wakefield, contact: Michael W. Jenkins, Director, Investment Sales, Cushman & Vakefield, Inc., 1166 Avenue of the Americas, New York, NY 10036, Telephone (212) 841-7504, Telex 237979 CWI.

The Professionals.

Experience, stature and leadership. The International Monetary Market.

When it comes to experience in mancial futures, there is simply no close second to the International Monetary Market. It pioneered financial futures trading in 1972. The IMM traded only financial futures then—as it does now. Its brokers were drawn originally from experienced futures traders with years of background in the mechanics of trading. Quick to join them were experts from the fields of government securities dealers, the interbank foreign exchange market and bullion traders. Today the trading sophistication of these brokers is unparalleled in the futures industry.

The IMM is the pre-eminent financial futures market-offering twelve contracts covering the spectrum of the financial world: 90-Day Treasury Bills, 1-Year Treasury Bills, 4-Year Treasury notes, Gold, British Pounds, Deutsche Marks, Canadian Dollars, Mexican Pesos, French Francs, Japanese Yen, Swiss Francs and Dutch Guilders.

No other exchange has the depth of personnel-over 1000 member traders—to. handle enormous trading volume on a worldwide basis.

The IMM has been hailed in government and financial circles as the leading exchange in the all-important function of protecting its customers' investments. There are numerous safeguards to insure this. But the most important one is the IMM clearing system. Each business day the change in value of every open contract is compensated for by a cash settlement. An example of how efficiently the system operates occurred in 1976 when the Mexican Peso was devalued more than

40% against

the dollar.

Despite this massive readjustment, the Peso continued to trade and no defaults occurred -in fact there has never been. a default on the IMM.

No other financial futures exchange can match the proven professionalism of the International Monetary Market.

For additional information on the IMM, call toll-free 800-228-2027; in Nebraska 402-571-4900; in London

up defence spending—a move which will also further help an already buoyant Boeing and the other aerospace companies, which have long order books from the civil aviation industry as it seeks to improve the fuel

construction market.

economy of its fleets. Business International Machines, however, is still suffering from a customer businessmen are prepared to switch from purchase to leasing make predictions—is how long of its computers (profits rose that recession will last by only 2.2 per cent in the first quarter). Burroughs, Sperry

companies with exposure to the, and Control Data all had much American consumer , whose belt bigger increases. is now being voluntarily or High interest rates are also forcibly tightened, will feel a a problem in industries com-High interest rates are also

a widely followed stock price index (such as Standard and

Poor's). People participating in

considered to be undesirable

for a number of reasons, includ-

ing complexity).

chill in the second quarter. The mitted to large capital spending paper companies, for example, programmes—this is having an which enjoyed strong demand impact on the relentless growth for their products in the first quarter are now finding probfor their products in the first in profitability of American quarter are now finding problems in this sector to add to their well-established difficulties in a crumbling housing Federal Reserve monetary policy, the experience does not policy, the experience does not appear to be too harmful. With the exception of Citibank, New by the New York Stock Exchange The high technology indusshould experience some largest bank, most centre banks bave spin-off from the Administration's decision to step money centre banks have Administration's decision to step money centre banks have posted at least modest gains in Carter

casting, industry's order books and seat-of-the-pants senses seem to confirm the official Washington view that the U.S. is in for a moderate recession. More doubtful—and here few

THE SECURITIES GROUPS

Dealers and Market Makers in: U.S. Government Securities, Money Market Instruments, Financial Futures, and Foreign Exchange.

INTERNATIONAL MONETARY MARKET Division of Chicago Mercantile Exchange Offices in New York and London.

Administration relaxes its regulatory grip

THE HAND of government on the shoulder of American has accepted the argument, business is easing its grip.

Since the California tax revolt of 1978 there has been a sustained mood in the U.S. for smaller government, at both federal and local level, for fewer taxes, for balanced budgets, and for less ambitious public programmes. This has also translated into moves to reduce government regulation, which increased very rapidly in the

As late as the 1950s the Federal Government regulated only in four areas: finance, transport, communications and anti-trust. It has been in the last decade that the big growth in regulatory agencies has occurred, producing agencies with a major impact on every American business such as off it according to some studies, the Environmental Protection But, unlike OPEC oil price rises the Environmental Protection Health and Safety Administration, and the Consumer Product anti-inflation programme (there Safety Commission.

Federal Government \$6bu to mention of de-regulation as one operate its 56 regulatory of its policy planks.

Complying

Dwarfing this is the cost to the economy of complying with clean air and water laws, which will rise from around \$17bn in 1977 to \$52bn in 1986 (in constant dollars). Some economists claim that regulation overall costs the economy about \$100bn

leave out the benefits of course, oil prices by autumn 1981, has which though intangible are raised prices pretty sharply at often considerable. Environ home, and would have done so mental regulations such as pol- no matter what OPEC did. But lution controls is a major the Carter Administration has henefit topublic health, saving actively encouraged higher many deaths and so on, while energy prices both as an inceneconomic regulation, such as tive to the oil companies to dethat airlines and railways often velop more sources and as a serves a crucial social purpose rationing mechanism to choke such as maintaining links to iso- off some consumption and de lated rural communities.

Certainly no one in their right mind would want, in the about the new windfall profits light of the Three Mile Island tax—but if that was the necesreactor accident in March 1979 and the DC-10 crash in May 1979, which led to the ground-ing and checks of all U.S. based DC-10s, either the Nuclear Reculatory Commission or the proposals from the Administra-Federal Aviation Administra-

cian has called for the strength- cutive order, requiring all ening of the NRC to give it a biger budget and more personnel, so that safety compliance is left to individual nuclear power companies.

But the Carter Administration in some other way. pushed for a long time by business, that excessive regulation is an important contribu- ing ordinance. tory factor to high U.S. inflation and low productivity. This is partly the predeliction of Jimmy Carter, who as Governor state bureaucracy and who as a peanut businessman had the presumably

But it is also the conviction economists such as Mr. Charles Schulze, chairman of the Council of Economic Advisers and Mr. Alfred Kahn, the and Mr. Alfred Kahn, the President's anti-inflation adviser.

government paperwork.

Abolishing regulation would do little to the inflation rate; it would knock less than } per cent Occupational it is at least under the control nfety Commission. have been several) of the Next year, it will cost the Carter Administration has made

Even the one form of regulation that would in the short term at least lower the inflation rate—a compulsory wage and prices freeze, or incomes policy -is eschewed on the grounds that it would create inefficient distortions in the economy, and after the lid came off, the basic inflation rate would bounce back higher than ever.

The present Administration has committed itself to de-regu-Most of these calculations lation of natural gas and crude mand.

The oil industry may moan sary political price for the President to de-regulate domestic prices, then it is better off now.

The flow of new regulatory tion has slowed to a trickle. This is presumably one effect of Indeed, virtually every politi- a March 1978 Presidential exeagencies to subject proposed regulations, with an annual in pact on the economy of \$100m or more, to special analysis to see if the goal could be achieved some nasty upsets in recent panies to operate them, and it to respond to inflationary into his

The Administration has urged Congress, so far unsuccessfully, to adopt a similar self-disciplin-

It is the scrapping of some forms of economic regulation that holds the most promise for Jimmy Carter, who as Governor quick gains. But it should also of Georgia claimed to have cut be noted that the Administration has more influence over businessman had the environmental agencies struggled with such as EPA or OSHA which come directly under its executive wing, while the economic regulators such as the Civil Aeronautics Board are quasiindependent and require legislation to change.

The model of success for the Administration is air line de-regulation, pushed through largely by Mr. Kahn, who was Nearest to emulating the airhaulage industry. The House industry's anti-trust immunity

reform but in mid-April the so are the main trucking Senate passed a Bill that would interests now opposing the cut road freight rates by 20 per De-regulation Bill—the truck cut road freight rates by 20 per cent over five years, according to the Interstate Commerce Commission which actually does the regulating. This of course could partly depend on what happens'to fuel prices. Airline fares went down after de-regulation, but OPEC increases

Paradoxically, the ICC is supporting the de-regulation move, as did the CAB over airline reform. Both bodies seem happy to do themselves out of business, in the cause of promoting more free enterprise competition by allowing freer entry into the industries, more line success is the push now in flexibility on fares and routes, Congress to de-regulate the and removing some of the

owners because of concern about the rate cuts, the trade unions, particularly the Teamsters, out of worry about a resulting growth in non-organised labour in a de-regulated industry.

However, as again in the case regulation, but OPEC increases of the airline reform, it is con-have since pushed them right sumers who are backing the de-back up.

In this stance bodies as diverse as the National Association of Manufacturers and the National Farm Bureau believe there is y to gain from untrammelled trucking plenty industry.

Sure, too, is the political support for trucking de-regulaof its chief sponsors in the

government out of economic regulation—except in the area of anti-trust legislation — has become elmost the new political orthodoxy. All the candidates in the 1980 Presidential campaign sound like Britain's Mrs. Margaret Thatcher (or more so) when it comes to getting govern-ment off the backs of the

regulation, Environmental and views on it, are less clear-cut. Few people want to turn the clock back on the 1970s. But OSHA, an agency that affects all companies of any size in the U.S., has been under pressure to prune its rules (such as on the exact size and isa Bill in Congress that would

chemicals, refining, and so on, and put less effort in spot checks across the gamut of the economy.

Regulation also vitally affects American companies operating abroad because of the extra-territorial reach of the U.S. law, something which infuriates foreign governments but is unlikely to be removed totally. Here again there is a change of mood in the Carter Adminis-

tration which, in the interests of removing possible disincentives to exports (and thus helping stem the long-running chain of trade deficits), has pro-mised to clarify U.S. legislation, height of all wall-hung fire if not actually modify it U.S. extinguishers in the U.S.). Last companies complain that the tion. In addition to having year it scrapped 1,000 of its less anti-bribery and anti-Israeli President Carter's blessing, one necessary rules. This year there boycott laws, with which U.S. companies and their foreign

of Representatives is still mull- on the fixing of fares. Senate is Senator Edward get OSHA to direct its key subsidiaries must comply, but ing over versions of haulage. As the airlines did initially, Kennedy. In fact, taking inspections towards the most them at a competitive disregion, but in mid-April the so are the main tending.

But there is a limit to how much Government regulation should be scrapped, and the Carter Administration decided the line should be drawn at the Federal Trade Commission (FTC). In antiregulation ambience this year on Capitol Hill, it has suddenly become open season on the FTC
—for the open reason that
no other agency affects so many

aspects of people's lives. President Carter has made clear he will veto any legislation that totally emasculates the FTC. On hie other hand he looks likely to have to accept a new Bill that will give Congress power of veto by both Houses on any FTC action.

David Buchan

British groups push ahead in leisure field

people.

seed money into a £230m theme park to be built cheek by jowl with Walt Disney World in central Florida, and the UK's largest hotel group has unveiled a massive expansion plan on the had a pretty good winter season, other side of the Atlantic, it is and the signs seem for the perhaps stating the obvious to say there is considerable Anglo-Saxon confidence at least in the future of the American leisure

Certainly there are one or two factors which some might see as reasons for hesitation. It is a brave forecaster who is pre-pared to put a price on fuel in the mid-eighties, or even to give odds on world peace this year.
How quickly will post-selection belief into action particularly America ease itself out of the recession? Will travel patterns be permanently disturbed by economic crises and fuel shortages?

Possibly the most pessimistic responses one gets to these questions are from those States which are furtherest removed from the highly populated and Nevada there have been in

of how important the car is to American tourism. But despite the Rocky Mountain ski areas moment set fair for a good summer.

It is in the broadrooms of London and New York that one hears the optimism. There is a strong belief in the basic with rising building costs them-strength of the American selves. economy and a conviction that this strength will emerge later in the decade. This is not just an empty prediction. Company belief into action, particularly in the hotel trade.

According to Mr. Rocco Forte, deputy chief executive of Trusthouses Forte (THF): "The U.S. has many attractions to a business such as ours, asit is a hive of activity in the hotel field."

Indeed the indications are urban areas. In Utah, Colorado that quite contrary to what has been happening in other parts recent months some very long of the world, hotel occupancies faces indeed. All these States, in the U.S. have been improvrelying as they do on tourists ing. "There are a large number who travel long distances by of hotels being built and deveboth aircraft and car. have had lopers are looking for com-

American tourism. But despite type of service than some of some of the gloomy warnings, the major American chains," says Mr. Forte.

Obviously THF would like to find American investment partners rather than leap in too heavily with its own cash, and it is indeed money, or rather the current cost of it, which is proving a major obstable, along

"The rapid increase in the cost of constructing furnishing a lodging establishment is one of the major deterrents to development at the present time," says Mr. Rudolph L. Leone of consultants Horwath and Horwath. "A major contributor to this increased cost is the high price and scarcity of finance which, though considered a temporary consontion, will remain critical in the next few years."

After that cautious note .however, Mr. Leone turns to more optimistic thoughts. "On the other hand inflation has created a new investor interest in hotel development in the past 10 years because hotels have exhibited an above-average ability

just sunk a reported f4m as ages were very shary reminder developers are now coming to ing prices daily, if necessary, us [THF] as they feel that we as opposed to multiple longcan offer a more Eupropean term leases in other types of a Tudor village, a Norman and Houston, and in five years type of service than some of real estate investments, contained and thouston, and in five years and Houston, and in five years type of service than some of real estate investments, contained and Houston, and in five years and Houston, and in five years and Houston, and in five years are type of service than some of real estate investments, contained and Houston, and in five years and Houston, and in five years are type of service than some of real estate investments, contained the major American chains," ments attractive to major institutional leaders who are seeking yields commensurate with the risks ordinarily encountered in real estate ventures."

What has been said there about the hotel industry also applies to a considerable extent to other areas of leisure spending. Disney itself is deter-minedly pushin gahead with its \$800m Epcot Centre, a 200-acre development which will help to push the overall business of the Disney World complex near Orlando to an awesome 25m people a year. The new deve-lopment should open in 1982, and says chairman Mr. Card Walker, "we take this major step forward for Walt Disney Productions with great confid-ence. We have looked carefully, even minutely, at not only the creative aspects of Epcot Centre, but also the economic, the business and the marketing

potentials." The prospect of such huge numbers of people being avail- THF hotels in the major city able to look at other things as well as clearly what has helped

AT A TIME when a Briton has years. The 1979 petrol short- is gratifying that many of these trends. The flexibility of change Orlando. Mr. Cartier has 1,800 tiating projects in Los Angeles, AT A TIME when a Briton has years. The 1979 petrol short- is gratifying that many of these trends. The flexibility of change of real actuate and class. New Orleans, Philadelphia, acres of real estate and plans a Little England which includes highway to lure the visitors.

The Cartier plan, modest perhaps by Disney Standards, is huge by that of anyone else. It is the very size of the investments required in the U.S., and management expertise the required to carry them through. that deters many a foreign investor. Most tend to seek out perhaps or, witness the Imperial assault on Howard Johnsons, look for ready-made vehicles.

Luxury

THF has already done this, of course, through Travelodge, but now the company is looking to get its own brand name established, an othis time as a luxury hotel operator --- a rival to established U.S. up-market operators like Hyatt. "Our presence as Trusthouse Forte is not a very big one [in the U.S.]," says Rocco Forte. "We are actively working to estab-lishment a network of luxury

centres of the States. "We are opening our first encourage Mr. Lewis Cartier such hotel in Dallas later this development at year and we are actively nego-

Tulsa, Little Rock, Washington THF name and what it stands for, and this will of course help us in selling our UK properties to the American market.

But it is not only in the hotel and theme park field that foreigners, and particularly the British, are seeing current opportunities and future profits In entertainment Lord (Lew) Grade (Associated Communications) and his brother Lord Bernard Delfont (Thorn-EMI) have both plunged into the film-making and film distribution scene with considerable success. Most British television companies have aictive distribution sides within the U.S. and are now widening their scope to take in domestic and other imported

products. For the moment it is a peculiar pleasure for the British visitor to stay in a Travelodge. sample a Baskin Robbins icc creame, shop at Saks Fifth Avenue and watch the Muppets on TV knowing that all have a British connection. The way things are going such connec-tions will be commonplace.

Arthur Sandles

FINANCING SERVICES Corporate underwritings Private placements

Lease tinancings Mergers, acquisitions and divestitures Real estate financings and sales

 International public offerings International private placements Domestic and international project financings Industrial revenue bond and pollution control financings

Commercial paper issuance Corporate stock repurchasing -Registered and non-registered secondary offerings Underwritten redemption of securities

Sinking fund purchases Investments for temporarily excess cash Exchange offerings and tender offers

Hedging in financial futures Government agency financings State and municipal financings

Financing services for foreign governments and agencies Financial advisory and evaluation services

. INVESTING SERVICES

Investment research

Economic forecasting Financial market analysis Block trading Special order service

Listed equity securities Over-the-counter equity securities Foreign securities trading Convertible stocks and bonds

Domestic and international securities arbitrage

Listed options trading Debt and equity securities swaps Restricted brokerage transactions

Commercial paper Government and Federal agency securities

Certificates of deposit Corporate bonds, notes and preferred stocks

Mortgage-backed securities Tax-exempt bonds Securities from managed offerings and participations

GOLDMAN SACHS CAPABILITY: HELPING MULTI-NATIONAL COMPANIES MEET THEIR FOREIGN FINANCING NEEDS.

Goldman Sachs has placed strong emphasis on international financing services for many years. Since the beginning of 1970, we have helped U.S. and overseas clients raise nearly \$12 billion through international public offerings and private placements. These financings ranged in size from under \$5 million to \$600 million, and represent many of the world's major currencies. Here's how this uncommon capability can work for your company.

Multi-national investment banking-in depth. Goldman Sachs brings to international financings all the skills and experience that have made us one of the leading investment " banking firms in the U.S. and abroad.

Our professional staff includes 28 international financing specialists, five of them general partners, based in New York and our overséas offices. We have close and active relationships with many financial institutions throughout the world-carefully selected for their ability to effectively serve our chemis needs.

In the U.S., we follow world capital markets intensively. We keep track of the sources and movements of funds, and closely monitor regulatory and economic conditions affecting the operations of our clients.

A comprehensive range of international financing services. We know how to solve international financing problems. Over the years, we have used many different combinations of markets, currencies and financing techniques to meet the needs of our clients. When traditional techniques do not work, we search for new methods. Often, we find them first.

We are prominent in U.S. issues for non-American clients, in specialized Eurobond and Eurocurrency financings, and in foreign currency financings in national capital markets. Through parallel loans and swap transactions, we help clients adjust to currency changes and shifts in the availability and cost of money. And we offer a variety of financing techniques to limit the effect of regulations which may restrict

Goldman Sachs also assists clients in international merger and acquisition transactions, as well as mandatory divestitures, imposed by foreign governments. We help in capital market operations by seeking lowercost financings utilizing commercial paper. And we structure and help execute complex project and export financians, 🥕

Broad experience in international public offerings and private placements. In the past five years, Goldman Sachs has served corporations and governments as a manager or agent in more than 250 international securities offerings. Many of these transactions have helped reduce the problems of multi-national companies in balancing their foreign currency exposure.

Our managed underwritings have included straight debt, convertible and equity issuesin a wide range of currencies from pounds to yen, dollars to kroner, francs to florins. Serving as agent, we have arranged private placements, syndicated bank loans, parallel loans and currency swaps for scores of clients in Europe, the Far East, Canada and Latin America.

Worldwide client commitment. Our attitude toward client relationships does not vary, whether the assignment is national or international.:We believe we have an on-going commitment to every client to support his financial health and growth...

A permanent team is assigned to counsel and work with each client, and they are backed with all our resources. We keep in close, continuing touch with each client's financial needs

and goals in order to maximize the effectiveness of our services on his behalf.

To put this commitment to work for your company, call on Goldman Sachs' capability. An uncommon capability that combines experience and creativity in developing successful solutions to international financing problems.

Goldman, Sachs & Co. 55 Broad Street New York, N.Y. 10004 212-676-8000

Limmatquai 4 Zurich 8001 01-47 93 33



International Corp. 162 Queen Victoria Street London EC 4V 4DB 01-248-6464

Goldman Sachs

P.O. Box 70 Kasumigaseki Bldg. 2-5, Kasumigaseki 3-Chome Chiyoda-ku, Tokyo 100 03-592-1781

After Tito: the challenge for Yugoslavia

By ANTHONY ROBINSON, East Europe Correspondent in Belgrade

THE DEATH of President Tito marks the end of an era. He leaves behind a powerful political myth and a political legacy called Titoism. But the man who was described as the first Communist monarch leaves behind no dynasty and no single designated heir. During the past weeks, however, the complex system of collective leadership, carefully prepared many years in advance, has been in effective. control of the country. It has been coming to terms with the task of running Yugoslavia without the active presence of President Tito as the final arbiter and ultimate decision

W May 6 lk

To some extent, therefore, it can be said that the post-Tito era has already started. But the experience of the last 25 years inevitably raises a question mark as to how long before Yugoslavia starts to deviate significantly from the Titoist model. Stalin after all was dead less than three years before Mr. Krushchev-denounced him at the 20th party congress in 1956. Mao Tse Tung's ... In spite of this willingness to aura of quasi-divinity was also quickly redimensioned after his death while Spain surprised the world with the speed with which the real country emerged in all its diversity after nearly 40 years of Francoist autocracy.

There can be little doubt that Tito enjoyed far more genuine personal loyalty and affection than any of those dictators. than any of those dictators. Establishment.

This was the father of modern. This was the view, for Socialist Yugoslavia. He led the example, of Mr. Kardeli himself, committee to wictory against the who made a major effort to country to victory against the independence against Stalin and, with ideological backing from his friend and wartime comrade Edward Kardeli, set Yugoslavia on the path of self-management Socialism at home and non-alignment abroad.

Even under Tito, however, the brand of self-managing, non-attachment to the Soviet revolu-by Mr. Lazar Kolisevski, a 66-aligned Socialism, was full of tion, shared by none of the year-old former partisan and the







sors will be president for one

year only on a strict rotating basis. Mr. Kolisevski's tenure

head of the party is now Mr.

Stevan Doroniski, but he will

have to relinquish this post in

October when his one-year

Another member of the 23-

man collective party presidency will then be chosen in his place.

The party presidency consists of

three representatives from each

of the six republics-Slovenia.

mous provinces of Kosovo and

Vojvodina, plus a representa-

tive of the armed forces.

Bosnia - Herzegovina,







The men who follow: from left, Stane Dolanc, former Party Secretary; Lazar Kolisevski, now Head of State; General Franjo Herijevic, Interior Minister; Stevan Doronjski, head of the Party; General Nikola Ljubicke, head of the armed forces; and Vladimir Bakaric, Tito's number two.

changes which accompanied the transformation of Yugoslavia from a formerly feuding Balkan industrialised and urbanised consumer society.

experiment with political forms, and constitutional practice, however, the less dogmatic of Yugoslav politicians and a con-siderable part, of the intelligentsia and business world have come nound to the view that the development of Yugoslav society change of the party and political establishment.

theory of "the pluralism of self-managing interests," but who died last year before this theory could be fully explained. President Tito himself was

almost certainly one of the principal factors restraining the natural course of events. He

many ways has been overtaken is made up of one repr by the impetuous advance of a tive from each of the six consumer oriented society far republics and two autonomous from the original provinces. President Tito was ideals of the heroic wartime president for life. His succespartisan generation. It will probably be only a

question of time before the complex reality of this country of 22 million people divided into 18 ethnic groups, six nations, three religions and with enormous economic, social and cultural differences between North and South, becomes more apparent and politically articulate. The task of maintaining the essential unity of the country, so vital to its survival, will be the ultimate test of the new generation of politicians will eventually emerge once the initial post-Tito leadership gives way to the younger Serbia, Macedonia and Monte-politicians now waiting in the negro- and two from the autonowings. In the meantime it is now the turn of President Tito's own chosen successors.

Although formal state and Formally, Tito's position as development of Yugoslavia's own after all had a deep emotional Head of State has been taken party power at a federal and brand of self-managing, non attachment to the Soviet revoluby Mr. Lazar Kolisevski, a 66 republican level is divided up in this way among rotating col-lective institutions, political zigzags. The constitution was succeeding generation, and a representative for his native lective

cal power lies in the hands of a relatively small group of Prominent amongst these are

68-year-old Vladjmir Bakaric, the ex-partisan from Croatia, who is considered to be Tito's ends in May. Tito was also deputy, Mr. Milos Minic, the president of the League of former Foreign Minister and Communists. The new titular Tito's chief foreign policy adviser, Mr. Stane Dolanc the relatively young 55-year-old former party secretary from Slovenia who helped Tito stee the party through the difficult period of "nationalist euphoria" in 1971 and Mr. Branko Mikulic, from Bosnia, who is generally considered a conser-

> In addition, the "inner circle" also includes Gen circle" also includes Gen. Nikola Ljubicic, head of the 259,000-strong armed forces, Gen. Franjo Herljevic, the Interior Minister, who is also chief of the international security forces, and the Prime Minister, Mr. Veselin Djuranovic. who is considered an

> economic specialist. In the immediate future, how-

executive, Mr. Bob Ramsey, Ford

Motor Company industrial relations director, and Mr. Jim

Letters to the Editor

are on Page 8

Mortimer, Advisory Conciliation

chairman, are among speakers at

Institute of Personnel Manage

Arbitration

rewritten four times to try to profound commitment to a Macedonia in the eight-man col- observers here believe that discount the likelihood of any for private enterprise, coupled keep page with the enormous form of Socialism which in lective State Presidency. This much of the real, effective political attempts at military intervens with less political interference attempts at military interven- with less political interference The possibility — however managing enterprises, is the mote—of Soviet intervention best way of getting Yugoslavia some time in the future, is seen as less of a problem than the ficulties. possibility of internal political tension and inter-republican

> economic factors.
> Tackling Yugoslavia's econ-In 35 years since the war massive sociological and economic changes have taken place. A fragmented, backward and largely peasant society has given way to a 60 per cent urbanised, consumer - orientated country. The heroic partisan generation who went through war, revoluand the traumatic break with Stalin in 1948 are now a small minority. Around 60 per lack any identification with the sacrifices.

Soviet Union. What is more, there are in-

in Yugoslavia's affairs, in the affairs of the selfout of its current economic dif-

Looking at the economic statistics it is easy to see why. rivalries brought on by essential Higher than planned investment. higher wages and increasing demand from State and local omic problems will be the first authorities led to an inflation priority for the post-Tito regime. rate in excess of 20 per cent last year. Over-heating sucked in imtrade deficit rose by 50 per cent to \$6.5bn and the foreign debt increased to about \$13bn. The target this year is to reduce the lance of payments deficit from \$3.5bn in 1979 to \$2bn. This has been agreed in principle in all dual responsibility for their own foreign trade equilibrium. But cent of the population is under the republics could not agree 35 years old. They are better among themselves as to who educated more pragmatic and should make the necessary

Each republic wanted a bigger share of hard currency allocacreasing signs that many politions and import licences for and social pluralism practised ticians and economists are itself. But when these sums were in the west while keeping much coming round to the view that added up, the result was a fore-

problem still has to be solved. The republics have to be persuaded to cut down their investments, workers have to be convinced that wages and salaries have to be frozen—and that new job creation will be cut back. This is not easy in a country which already has around 12 per cent unemployed.

Regularising the economy will be a major problem in the post-Tito period-and a major test of the political skills of complicates their task is the wide gap in living standards between the north and south of the country. The wealthier republics like Slovenia and Croatia are relunctant to share their wealth with relatively backward and poor Macedonia and Kosovo. Yugoslavia, like Italy, has its own north-south problem and the solutions are gradual and long-term.

In its own way, Yugoslavia has developed many of the characteristics of a pluralistic society in recent years. There is no desire to go back to the rigid Soviet model. The future is seen to lie in a more open pragmatic discussion of problems and their solutions. At the same time, however, ports and depressed exports. The . pressures are mounting for more efficient monetary and fiscal policies and other instruments controlling the direction of the economy. This is coupled with a strong commitment to develop pluralism but only within the framework of the one-party system. In foreign affairs, there remains a broad concensus in favour of the nonindependence — but not equidistance - from the great powers and their allies. Such closer to the sort of economic of the authentic Yugoslav ever, the Yugoslav authorities greater freedom and guarantees cast deficit of \$50n and this is flavour inherited from Tito.

Last of the post-war giants

President of Yugoslavia, was the last of that early generation of political giants who stamped their mark on the turbulent course of 20th century history. He was been in 1892 in a small village on the border of Slovenia and Croatia when both were part of the Asstro-Hungarian Empire. His father was a poor peasant but Josip Broz (Tito was added much later as a party code-name) trained as a metal

As a soldier in the Austro Hungarian army at the outbreak of World War I he was first arrested for anti-war propaganda and subsequently sent to the Russian front where he was wounded and captured. For more than a year the deep lance wound inflicted by a Circassian cavalryman left him fighting for his life. His survival was a tribute to his will and the tough constitution which carried him through to a vigorous old age and his over-three-month-long

final struggle. By the time he recovered revolution had broken out and for nearly three years Tito lived an adventurous life in Russia surrounded by the turmoil of revolution and civil war. His role was essentially that of a bit-player in the enormous drama. But his contact with the Bolshevik revolution coloured his future political career and left him with a deep personal and emotional attachment to the Russian Revolution.

sian, wife back with him to foreign policy which brought what was now part of the Kingdom of Yugoslavia. Soon he joined the Yugoslav Communist the West over Trieste and over joined the Yugoslav Communist support for the communist Party and by 1928 was secretary uprising in Greece. of the party in Zagreb. His activities attracted the attention

invaded Yugoslavia on several fronts and the Royal Army capitulated in ten days. It was the start of four harsh, cruel years during which Tite's comyears during which Thes country
numist-led particans simultaneously fought the Nazi
invaders their Yugoslav fascist
accomplices and the other
partisan armies. It became a
war of national liberation and political revolution at the same

Charismatic

as units of the Red Army.

The joint liberation of Bel-The joint liberation of Bear grade and the fact that Tito pursuaded Stalin that the pursuaded Stalin that of doing Tito and Yugoslavia partisans were capable of the liberating the rest of the country proved to be of enormous proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the first split in the country proved to be of enormous transfer and the country proved to be of enormous transfer and the country proved to be of enormous transfer and the country proved to be of enormous transfer and the country proved to be of enormous transfer and the country proved to be of enormous transfer and the country proved to be of enormous transfer and the country proved to be of enormous transfer and the country proved to be of enormous transfer and the



Tito-outlived his natural successors

He never hesitated to inter-

vene whenever he felt that the unity or delicate equilibrium of

Yugoslavia was threatened. In the early 1950s he broke with

his old wartime comrade Djilas

It was the first step in that on-off, love-hate relationship which

which has been tried to break-

ing point by the Soviet invasion

In 1965 Tito broke with

of Afghanistan.

old order the newly installed disputed head of the communist When he returned to his communist regime embarked on party, the armed forces and the ative village of Kumrovec in wide ranging social and econo- Yugoslav federal state. native village of Kumrovec in wide ranging social and econo-1920 he brought his first, Rus-mic reforms at home and a

To both of the local authorities and he Comintern, whose agent he became. Long years of exile, mainly in Vienna and Moscow and followed. By luck as much as judgment he escaped the Stalinist purges and emerged as general secretary of the Yugo-slay Communist Party in 1937. western eyes general secretary of the Yugo national pride. Signs of Seviet possibility of rapprochement displeasure multiplied but remained completely hidden to the most by the death of Stalin. In April 1941 the Nazi's invaded Yugoslavia on several fronts and the Royal Army capitulated in ten days. It was the start of four harsh, cruel movement. Tito was as shocked and surprised as everyone else. has continued ever since but But Stalin's confident prediction that he only had to move his little finger and Tito would fall proved to be one of the great miscalculations of the century.

miscalculations of the century. Rankovic, the secret police chief who was another of his the country behind him and wartime friends. Apparently condemned thousands of sus unbeknown to Tito Rankovic pected pro-Stalinists to long had used his powers to build years of harsh imprisonment up a strong personal position by In October 1944 the partisans at Soviet reality. From this work which even monitored came down from the mountains where they had fought bitterly point Yugoslavia moved steadily the spearhead of opposition to and, under the influence of the liberal economic and social brilliant Marxist intellectuals as units of the Red Army.

The Miloran Dillas and Edvard

The strong personal position by abusing the power of the secret police and a surveillance network which even monitored Tito himself. Rankovic became the spearhead of opposition to and, under the influence of the liberal economic and social brilliant Marxist intellectuals as units of the Red Army.

The Miloran Dillas and Edvard

The Congress in 1964. His removal brilliant Marxist intellectuals reforms approved by the Legitude and Wantel Registry to have a good life themselves. In recent good life themselves, in recent good life themselves, in recent years however Yugoslavs have consumed more than they have produced. This leaves behind considerable economic problems, creating the first split in the

country proved to be of enormous subsequent significance. It hitherto monolithle. Soviet-led to the Red Army to pursue their advance into Hungary and consured that no Russian troops were on Yugoslav soil after the end of the war.

Tito emerged from the war with enhanced personal prestige and the status of a charismatic leader. Having defeated both Hitler and defeated b

wife during the war, fell from grace in 1977, allegedly because of suspicion that she used her position to promote the career fellow - Serb Yugoslav - Soviet relations reached a new low after the

after the death of his second

ment conference on power and the trade unions, London (until Soviet invasion of Czechoslo-May 8). Mr. Peter Walker, Agriculture vakia but the subsequent blossoming of detente increased Minister, speaks at vineyard freedom manoeuvre in foreign affairs. built up in 1971 with the out-burst of "national euphoria"

Once again it was Tito him-self who moved in to nip in the bud what he and many other Yugoslavs saw as a clear threat to Yugoslav unity. Tough repressive measures were, however, followed by bold moves to eradicate the causes of discontent. More powers were delegated to the six republics and two autonomous provinces in the 1974 constitution. A new to increase local participation in social and political life and in 1978 the party congress ratified a new party organisation. The aim was to give a new structure to the League of Communists and increase its presence in all aspects of Yugoslav life. At the same time, a new system of rotating presidencies was created at party, federal and republican level. This is the structure which Tito has bequeathed his successors. The man who steps into

his shoes under this system is Lazar Kolisevski, the State Presidency representative from The new leadership takes over a Yugoslavia which has whose theoretical writings about the abuse of power and the creation of a "New Class" been transformed over the past 35 years and on which Tito has left an indelible mark. Not the

least of Tito's accomplishments was his ability to deliver higher living standards and a far greater degree of liberty than in any of the Soviet bloc coun-

Non-aligned

pion of the Third World by his leading role as founder member of the non-aligned inovement along with Nehru and Nasser. One of his last achievements was to help head off a Sovietinspired Cuban attempt to subvert the movement and make it little more than an organised claque for the Soviet Union.

Unlike the false and hypocritical puritanism of other communist leaders Tito was an ostentations bon-viveur and sharp dresser. He lovel luxury, pleasant surroundings, hunting, the company of beautiful women and had a strong streak of vanity. He lived an adventurous courageous life to the full and wanted Yugoslavs to have a good life themselves. In recent devolution of economic power to enterprises accompanied by devolution of political power to the republics and a reformed also mevitably created a suc-

To-day's Events

UK: Lord Scanlon, Engineering Industry Training Board chair-man, Sir Alex Jarratt, Reed International chairman and chief Castle, Kent; and at Oxford Tory Reform Group meeting. National Enterprise Board report and accounts published. Mr. Norman Fowler, Transport Minister, and Mr. John Silbermann, RHA national chairman, speak at Road Haulage

Association annual dinner, Michael Environment Minister, launches West End clean street experi-ment, Automobile Association

headquarters, Leicester Square,

International Philatelic Exhibition opens, Earls Court (until May 14). Ministers meet in Brussels. EEC Agriculture Council meets in Luxembourg.

Second day of Financial Times conference: World electronics strategy for success, Monte Carlo (until May 7). Pope John Paul starts three-

day visit to Kenya. PARLIAMENTARY BUSINESS House of Commons: Social curity Bill, report. Industrial Training Levy (Engineering)

Order. Census Order 1980. House of Lords: Timetable motion on Social Security (No. 2) Bill. Port of (Financial Assistance) remaining stages. Local loans (increase of limit) Order. OFFICIAL STATISTICS

Wholesale price index numbers (April—provisional). COMPANY MEETINGS See Financial Diary on page 8.

COMPANY RESULTS Final dividends: Group. Geers Gross. John Laing. Marshalis Universal. Mothercare.

Third Mile Investment. Interim dividends: The Moss Engineering

This announcement appears as a matter of record only:



BANCO DE FOMENTO NACIONAL

US \$ 100,000,000 Multicurrency Loan

Kredietbank International Group Banco Português do Atlántico Banco Totta & Acores Bankers Trust International Limited Banque Belge Limited - Société Générale de Banque S.A. Banque Internationale à Luxembourg S.A. Creditanstalt-Bankverein Crédit Commercial de France Crédit Lyonnais

> Westdeutsche Landesbank Girozentrale Co-Managed by

Crédit Agricole The Royal Bank of Canada Group

Provided by

Banco Português do Atlantico (Paris Branch) Banco Totta & Acores, London Branch KredietbankS.A.Luxembourgeoise Creditanstalt-Bankverein Banque Internationale à Luxembourg S.A. Bankers Trust Company West LB International S.A. Crédit Commercial de France Crédit Agricole Crédit Lyonnais RoyCan Finanz AG Banque Belge Limited Société Générale de Banque S.A. Algemene Bank Nederland N.V. Bank für Arbeit und Wirtschaft Aktiengesellschaft Zentralsparkasse und Kommerzialbank, Wien Banque Commerciale pour l'Europe du Nord (Eurobank) Banque Franco-Portugaise Christiania Bank og Kreditkasse International S.A. Copenhagen Handelsbank International S.A. Credit Commercial de France (Moyen Orient) S.A.L. Den Danske Bank International S.A. Hanse Bank S.A. Japan International Bank Limited Westfalenbank International S.A.

Kredietbank S.A. Luxembourgeoise



February 15, 1980

Laird ends slightly lower after decline in second six months over £1bn

SECOND-HALF profits of Laird Group dipped from £5.29m to £5.69m leaving the taxable surplus just behind at £10.73m for 1979, compared with a record £11.12m. Turnover expanded by £56m to £207m.

Sir Ian Morrow, chairman, tells members in his review with the accounts that since the start of the current year the group's position has strengthened, and there are substantial resources available to support further development to secure the

future.

A divisional analysis of turnover and pre-tax profits for 1979 shows (£000s): metal industries £43,264 (40,790) and 2,916 loss (1,78 profit); transport engineering 93,903 (48,052) and 9,248 (5,040); motor components and other engineering 62,514 (54,979) and 4,412 (5,556) and shippenair. and 4.412 (5.556) and shiprepairassets to £62.38m, and ing 7.365 (7.158) and 10 loss rent assets to £26.42m, (1.358).

Profits from engineering rose sharply mainly as a result of an increase in deliveries of trams for various projects including the Mass Transit System in Hong Kong. The motor components side faced severe difficulties, Sir Ian states, in the UK—a rationalisa-tion programme has been neces-sary to improve profitability, he

In the metal industries sector, the main problem was the sharp setback in steel, where there were losses of £2.2m.

As announced at the end of February, it was decided to close the Patent Shaft Steel Works with a loss of 1,500 jobs. A provision of £18m has been made for the book write-offs, redundancy provisions, and terminal losses.

Tax charge for the year took £3.05m (£4.09m), and after an extraordinary debit of £729,000 (£690,000) the available balance came through higher at £6.96m against £6.33m.

Stated earnings per 25p share are 15.2p (13.92p) fully diluted, and the dividend is effectively

raised to 3.4p (2.71091p) net with a final payment of 1.7p, payable June 16.

After the dividends cost, of \$1.85m compared with £1.3m, the retained amount was £5.31m (55.03m) (£5.03m).

Year-end balance sheet shows fixed assets of £54.06m (£42.93m), and net current assets totalling £25.98m (£19.75m). After the Patent Shaft provision total assets were £67.83m (£67.13m). On a CCA basis pre-tax profits are adjusted to £7.62m, fixed assets to £62.38m, and net cur-

Lex Back Page

FT Share Information

The following securities have been added to the Share Information Service appearing in the Financial Times: Bell Industries (Section: World Markets—New York). Centrale (World Markets—Italy). Credito Varessino (World Markets—Italy). Laganvale Estates (Property). London Merchant Securities Defd (Trusts—Finance, Land). Offshore Oil (Oil and Cas). Piet Potrology. (Oil and Gas). Plet Petroleum (Oil and Gas). Toro Assic. Ord. and Pref. (World Markets—

Rio Tinto: Zimbabwe cash need Chief Executive and Managing Director, and led by Mr. Marshall Kaye, to occupy and use part of the former company's buildings pending nego-

MINING NEWS

THE Rio Tinto group of companies in Zimbabwe plans to moving forward at Rio Tinto raise further capital from share- are Renco gold and the Zinca holders to finance a develop-ment plan. This was made clear at the annual meeting by Mr. W. V. Rickards, the chairman. The decision follows the agreement of the parent com-pany, Rio Tinto-Zine of London, to invest a further £5m in the Zimbabwe group. RTZ's share-holding will settle at 51 per cent after a reorganisation of holdings has been completed. The life expectancy of Stil- 1977.

"All the shareholders (in the fontein, the South African gold-uranium producer in the General In given the opportunity to partici-

shares," Mr. Rickards said. Details of the rights issue will he released after an extraordinary general meeting to approve an increase of the authorised share capital.

platinum projects.

In the first quarter the group had an after-tax profit of Z\$1.7m (£1.2m) compared with Z\$340,000 in the same period of 1979. Mr. Rickards said he would expect this year total dividend pay-ments of 20 cents. For last year the payments were 18 cents.

Mining group, has been extended five years as higher gold prices permitted mine develop-in previously unpayable ment areas. Mr. J. C. Fritz, the chairman, said that the 85 per cent owned Chemwes uranium plant owned by Brascan Ltd., while is producing material in excess Brascan Resources is 9 of contractual commitments but owned by Brascan Ltd.

Sun Life

long-term

LONG-TERM BUSINESS funds

of the year from £887,000 at the

substantial programme of com-mitments which will take several

of the Society's business last year in both the life and pen-

year in both the fire and per-sions field. It has made use of direct mailing in selling con-tracts, particularly to existing policyholders.

This year, the Society is setting up a direct sales force to operate in the unit-linked field,

selling both life and pensions plans. Mr. Walker does not see

this move as in any way detri-

business

Anglo American Corporation of South Africa may resume mineral prospecting in Zim-babwe, Mr. Harry Oppenheimer, the chairman, was quoted as saying by the Salisbury press. He apparently said that prospect-ing was one of the issues he was in the Zimbabwe capital to discuss. Angio withdrew its exploration teams from the country in

Western Mines is 51 per cent

Premiums inadequate to cover risks says Phoenix chairman

of the Sun Life Assurance Society passed the £1bn mark in 1979, reaching £1.04bn at the end beginning. Premium income rose by 13 per cent from £163,000 to £185,000 and investment in-come by 25 per cent from £81,000 to £102,000. Claims and expenses

were 16 per cent higher at £139,000 compared with £120,000. has the unenviable alternative of either accepting such business, with the nea recrtainty of underwriting losses, or of turning away premium income needed to contain the ever mounting expense burden. If the insurance market is to prosper, then it needs to contain the ever mounting expense burden. If the insurance market is to prosper, then it needs to contain the ever mounting expense burden. Mr. Philip G. Walker in his chairman's statement points out chairman's statement points out that the difficulties in the mort-gage market last year allowed the Society to lend about £25m on its top-up mortgage scheme thereby generating a substantial amount of life business. A further £49m was invested in fixed-interest stocks and £36m in equifics In the property investment sector, Mr. Walker says the Society is concentrating on direct development and has a

mitments which will take several years to complete. During last year it also continued with its policy of purchasing good quality commercial properties but experienced difficulty in acquiring sufficient buildings for its needs.

He refers to the developments of the Societies business last

THE problems of the present of compensation affecting all significant excess capacity in injury claims and not just the many of the world's insurance large ones which make the headmarkets are discussed by Mr. lines, mean insurance companies
Jocelyn Hambro in his chairman's statement accompanying in the form of higher premiums
the 1979 report and accounts of from the general public. Phoenix Assurance Company.

Competition, he states, has grown to the point where risks can only be written at inadequate premium rates. In such conditions, the company account a loss of £13.9m against £2.7m in 1978 and the marine and aviation account a loss of £200,000 against £2.7m in 1978 and the marine and aviation account a loss of £200,000 against £2.7m in 1978 are the conditions.

expense burden. If the lister by 3 per cent from £94.6m to 197.8m, the underlying growth bein ghigher, while investment income advanced by 20 per cent from £43.5m to £52.3m. Glaims and expenses rose by 16 per cent from over the ever increasing cost of personal injury awards overall the long-term funds at impinging on motor and liability covers. These increased levels

WDA permits Leiner to resume production

BY ROBIN REEVES, WELSH CORRESPONDENT

Agency gave the go-ahead at the city as landlord of the Treforest weekend to the resumption of Industrial Estate. gelatin manufacture at the The collapse of P. Leiner, once Treforest South Wales, premises one of the world's largest gelatin of P. Leiner and Sons, the company which crashed into receivership in February with debts of several millions.

The Course of Treforest Course, discourse one of the world's largest gelatin producers was surrounded by controversey. Only a year before being put into receivership, the WDA made a £2m capital injection. mental to the interests of the insurance broker contacts, which will remain the cornerstone of the group's marketing success.

The WDA issued a licence to a consortium assembled by Mr. Jack Loveland, Leiner's former tiation of a permanent lease.

The consortium also includes

The consortium also includes three other former executive directors of Leiner's and Mr. Campbell Allan, representing Garimore Investments. Production mainly of photographic gelatin got underway immediately. The new enterprise presently employs only 16 people, compared with Leiner's workforce of some 380. However it force of some 380. However it is hoped to step up employment in the new enterprise to 92

within six months. The incapulation facilities on In the latest reorganisation of the site have already been disthe Canadian natural resources posed of by the Receiver to R. P.

agency was not involved in way in the funding of the

Development the WDA in advance in its capa

tion into the company and was also left with a shortfall of over film for unpaid rent and services last February. Before taking up his appointment at Leipers Mr Jack Loveland, the former chief executive and now a member of the new consortium, was invest-ment director of the WDA.

News Intnl. to spend £29m

FUTURE CAPITAL expenditur of News International, 49.9 per cent-owned newspaper group of News Limited, of Australia, totals £29.62m for 1980, compared with £4.47m last year.

As reported on April 16, tax able profits for 1979 reached a record £27.97m (£24.93m). Mr Rupert Murdoch, chairman, tells members that News Group Newspapers, the main subsidiar which publishes The Sun and an increased profit despite losing 36m copies durin gthe year. Meeting, 1, London Wall, E.C.

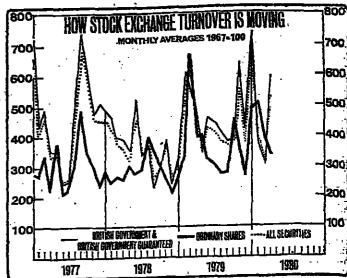
STOCK EXCHANGE TURNOVER IN APRIL

Gilts turnover up £6bn but equities fall £300m

BY GEOFFREY FOSTER

BUSINESS in stock markets improved sharply last month, mainly reflecting an upsurge of trade in Government Securities. Total turnover in April, at £17.09bn, was up £6.7bn, or nearly 65 per cent. The FT Turnover index for all securities rose from March's 316.8 to 523.7, well above the 1979 monthly average of £31.5. Hopes that the Minimum Lending Rate would be cut during the summer in the wake of reductions in U.S. prime of reductions in U.S. prime rates, sparked off heavy foreign and local buying of gilt-edged stocks during the month. Business in the Government Funds jumped £6.860n, or result for the first page of the first pa nearly 95 per cent, to £14.1bn, with trade in the shorts up £4.88bn to £8.66bn. Trade in other government securities amounted to £5.4bn, a rise of £1.98bn. The number of bargains rose fractionally, to 83,049, while the FT Turnover index for Government Securities rose to 596.9 from March's 306.4. The 1979 monthly averages was

Business in equities, however, contracted further with concern about the worsening U.S./Iran situation, the Saudi Arabian diplomatic tiff and inflationary



average value per bargain was slightly lower at £6,052, while the FT turnover index for Ordinary shares fell in April to 335.2 from 383.1 in March.

Share prices of the misceldiplomatic tiff and inflationary wage demands deterring investment interest.

Equity turnover last month slipped 300m to £1.88bn, with

the number of bargains down the FT Industrial Ordinary by 44,160 to 310,398. The Share index moved up 13.4 on the month to 440.4.

The tense Middle East situa tion prompted renewed deman for gold and consequently the bullion price closed the month \$10 an ounce higher at \$514

Category	Value of all purchases & sales £m	Total %	Number of bargains	Total %	Average value per day £m	Average value per bargain £	Average number o bargains per day
British Govt. and British Govt. guaranteed:						•	.;
Short dated having five years or less to run)	8,461.6	50.7	32,712	7.4	433.1	264,785	1,435
Others	5,440.7	31.8	50,337	11,4	272.0	108,086	2,517
Irish Government:							
Short dated having five years or less to run)	341.8	2.0	7,545	. 0.4	-17.3	221,279	77
Others	217.8	1.3	6,654	1.5	7C.9	32,738	333
U.K. Local Authority	380.9	2.2	8,295	7.9	79,0	45,915	415
Overseas Government Provincial and Municipal	10.7	C. 1	1,847	0.4	0.5	5,812	92
Fixed Interest Stock Preference and Preferred Ordinary shares	. 157.2	8.9	29,237	6.6	7.9	5,378	1,462
Total	15,210.8	89.0	130,627	29.6	760.5	116,445	6,531
Ordinary shares	1,878,5	11.0	310,398	70.4	93.9	6,052	15,520
Total	17,089.3	100.6	441,025	0,001	7854_5	*38,749	*22,051
* Average of all securities							- 1

Why are so many international industrial companies struggling for survival instead of growth? Because when change came they weren't ready for it.

BTR was.

And we turned it to advantage. It was our realistic and flexible response to market opportunities throughout the world which brought us success in so many key industrial sectors.

And that's one thing that won't change.



BTR Limited, Silvertown House, Vincent Square, London SWIP ZPL

Portals progress on all fronts

Mr. Julian Sheffield, in his first statement as Chairman of Portals Holdings, says that the Group has progressed on all fronts in 1979.

Turnover has risen by 21% and is now over £100 million for the first time in the company's

Profit before tax at just over £11 million is also a record and higher by 15%.

> Profit before taxation (Year to 31st December) 1978 1975 1974 £9.6m £8.7m £6.8m £5.4m £4.3m £3.9m £3.3m£2.7m £2.4m

Direct exports have risen 27%, in spite of the strength of sterling, to £35.5 million.

Earnings per share have increased by 60% from 25.19p in 1978 to 40.3p, which includes a release from deferred rax.

PR	OFIT BEFORE TAXATION ATTE PRINCIPAL ACTIVITIES	IBUȚABI	E
OF	THE GROUP	1979 1000	1978 £000
Pa	permaking	5,634	5,060
W	ater Treatment and Engineering	5,158	4,310
Pr	operty	960	604
•		11,752	9,974
	Less central costs and interest	<u>750</u>	408
		11,002	9,566
Ba	sic Farnings per share	40.30p	25.19 ₀
Or	dinary dividend	_	8.794p

Water Treatment and Engineering Division Turnover increased from £62.7 million in 1978 to £75.7 million in 1979, a rise of 20%. Trading profit also grew by the same percentage to £5.2 million in circumstances that were far from favourable. We can see opportunities for growth in 1980.

Papermaking Division. Sales for the year were 20% in advance of the previous year and profits werd 11% up. Demand for our security paper products by the end of the year was strong and this trend has continued into 1980. Prospects for 1980 are reasonable, order books are good.

Outlook. Over many years the wide spread of our trade has given us the flexibility to take advantage of good prospects wherever they occur. As management it is our job to take whatever steps we can to mitigate the problems of the day, so again in 1980 we have set our sights at a higher target but its achievement must be subject to some of the influences of the current economic scene.



nt and Accounts are available from The Secretary, Loversche Mill, Winichurch, Hann RG28 AND.

BIDS AND DEALS

6bn Grand Met moves one step 00m closer in Liggett battle

METROPOLITAN cleared another legal aurdle in its battle to proceed with the \$415m (f184m) takeover a Federal Court and for Liggett, the U.S. tobacco the takeover. ind drinks group.

proceedings before the Carolina Securities commission, the Hearing Officer ias recommended that the lecurities Commissioner permit he offer to go ahead. The iccurities Commissioner had fariter served a restraining order on Grand Metropolitan, cending a decision on the offer's

Liggett now has until tomorrow a lodge any objections to the iffer, after which the Securities Commissioner has five days to ake a final decision. It is widely expected, however, that he will deliver a ruling by the and of this week.

If the Commissioner finds in avour of Grand Metropolitan, he British group will have wercome obstacles to the bid in three state courts. Delaware and North Carolina, the other in which injunctions the offer had been have already removed

Grand Metropolitan still does a Federal Court seeking to block the takeover. Grand Metropolitun has itself sued Liggett in an attempt to prevent the U.S. company from selling a drinks subsidiary. Austin Nichols, to

Liggett said later that it had completed the sale of its subsidiary Austin Nichols to Pernod Ricard but had no further comment. A spokesman for Grand Metropolitan said that he was not aware that the sale had been executed.

EAST LANCS. PAPER

East Laucashire Paper Group has been informed that Green brook Securities has acquired a further 70,000 ordinary share and now owns 785,000, representing 144 per cent of the capital.

Greenbrook is an unquoted company controlled by members Green and is the parent company of the formerly quoted British Industrial Holdings.

SHARE STAKES First National Finance Corporation—The Electricity Supply (Staff) Superannuation Scheme

(10.07 per cent).

has disposed of its entire hold-ing of 7,036,496 shares (more

Prestwich Parker - Heywood Motors and associates are bene-ficial owners of 227,500 shares

CLIFFORD'S DAIRIES Clifford's Dairies, determined foil Unigate's £10m bid

attempt, is urging shareholders

to vote in favour of the proposed £1.5m rights issue and thus millify one of the con-ditions of the unwanted offer. Mr. Gordon Clifford, the chair-

man, says the Board knows that

the majority of shares will be voted in favour of the issue. He adds, moreover, that the com-pany is financially strong and needs no assistance from any

Unigate already owns a small proportion of the Berksbire

based company's shares, but around 60 per cent is in the bends of the Clifford and Smith

families, including a quarter held

by Board members.
Unigate's bid depends or

ANNUAL REPORT AND ACCOUNTS

An Important Notice

To Company Secretaries

Eastern Counties Printers Ltd. provide trouble free production of Reports and Accounts including overnight proofs.

> 01-253 1331 or Ely (0353) 3544 For details telephone

FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 received not later than 16.5.80.

Terms (years) 3 4 5 6 Interest % 14 14 14 Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 SXP (01-928 7822, Ext. 367). Cheques payable to "Bank of England, a/c FFL FFI is the holding company for ICFC



British Limbless Ex-Service

Men's Association

We come from Kenya, Malaya, -Aden, Cyprus ... and from Uister, From keeping the peace no less than from war we limbless look to

And you can help, by helping our Association. BLESMA (the British Limbless Ex-Service Men's Association) looks after the

Help BLESMA, please. Wo

AMERICAN MARKETS

134-83-(278-1). Sopt. 294-234-2 Dec. 302-302*2 Merch 318. Mey 321*2 Dec. 302-302*2 Merch 318. Mey 321*2 Sever—May 1315.0 (1370.0). June 1326.0 (1360.0). Aug. 1355.0. Oct. 1390.0. Dec. 1425.0. Feb. 1459.0. April 1493.0. June 1527.0. Feb. 1655.0. April 1685.0. June 1715.0. Aug. 1745.0 Oct. 1755.0. June 1715.0. Aug. 1745.0 Oct. 1775.0. April 1685.0, June 1715.0, Aug. 1745.0, Oct. 1775.0.

1745.0, Oct. 1775.0.

160yabears—May 612-812-, (595%), July 632-630 (615-), Aug. 638-, Sept. 688, New 664-683, Jan. 679-679-, March 698, May 708.

1850yabean Mesi—May 171.5 (165.4), July 178.2-177.8 (1777), Aug. 18.10, Sept. 18.30, Oct. 185.0-185.1, Dec. 189.5-189.8, Jan. 182.5, March 195.0, May 195.5-200.0, July 204.0-205.0.

Soyabean OH—May 20.50 (19.57), July 21.07-21.05 (20.52), Aug. 21.32, Sept. 21.55, Oct. 21.76-21.80, Dec. 22.15-22.18, Jan. 22.25, March 22.60, 22.65, May 22.95, July 21.25-23.30, 1Wheat — May 412 (392, July 423, (4034), Sept. 438-, Dec. 456-, March 471, May 477.

WINNIPEG, May 5. § Barley—May 113.70-116.00 (112.90), July 117.00-119.50 (118.00), Oct. 116.30-119.10, All cests per pound ex-warehouse unless otherwise stated. *\$ ger troy ounce. **† Cents per troy ounce. **† Cents per troy ounce. **† Cents per troy ounce. ****

INDICES	DOW JONES
FINANCIAL TIMES	Dow May May Month Year Jones 2 1 ago ago
May 2 May 1 Month ago Year ago 274.60 274.01 — 278.95 (Base: July 1, 1962=100)	Spot 423.82 422.34410.05392.64 Ftur :4439.61 425.73425.78898.09 (Avarege 1924-25-26=100)
MOODY'S	REUTERS
May 2 May M'nth ago Year ago	May 2 May 1 M'nth ago Year ago
1104,91113,7 1121,0 1083,0 (December 31, 1931=100)	1686,3 1680,8 — 1565,8 (Base: September 18, 1931 = 100)

M. J. H. Nightingale & Co. Limited

E000's epiteliseth	. Сопрану		Change In week	Gross Div (p)	Yield %	P/E
3,758	Airsprang	65	_	6.7	10.3	3.8
775	Armitage and Rhodes	31	"+2	· = 3.8	· 12,3	2.0
8,401	Bardon Hill	275 .	_	13.8	5.0	8,1
800 .	County Cars, 10.7% Pl.	-80	_	15.3	19.1	_
6,55B	Deborah Ord	· 95	_	5.0	5,3	10,4
4,189	Frank Horsell	112	· ·	7.9	7.0	7.0
14,591	Frederick Parker	101	· 🗕	12.B	12.7 ·	4.6
2,278	George Blair	107		16.5	15.4	
1,725	Jackson Group	69		5.2	7.5	4.1
15,458	James Burrough	112	·	7.2	6.4	9.8
2.907	Robert Jankins	285	 -	31.3	11.0	9.1
3.415	Torday	222	_	14.3	6.4	5.81
3.312	Twinlock Ord	15%	-04	0.8	5.4	3.0
2.047	Twinlock 12% ULS	· 75		12.0	16.0	_
6,268	Unilock Holdings	48		-2.6	5.4	10.2
1.012	Unilock Holdings New	46	·. —	_	_	9.8
11,875	Walter Alexander	94	_	4.4	4.6	· 6.2
4,598	W. S. Yaates	-197	+2	12.1	6.1	3.21

Eaton Corporation Cleveland, Ohio

Statement of Consolidated Income **Eaton Corporation and Subsidiaries**

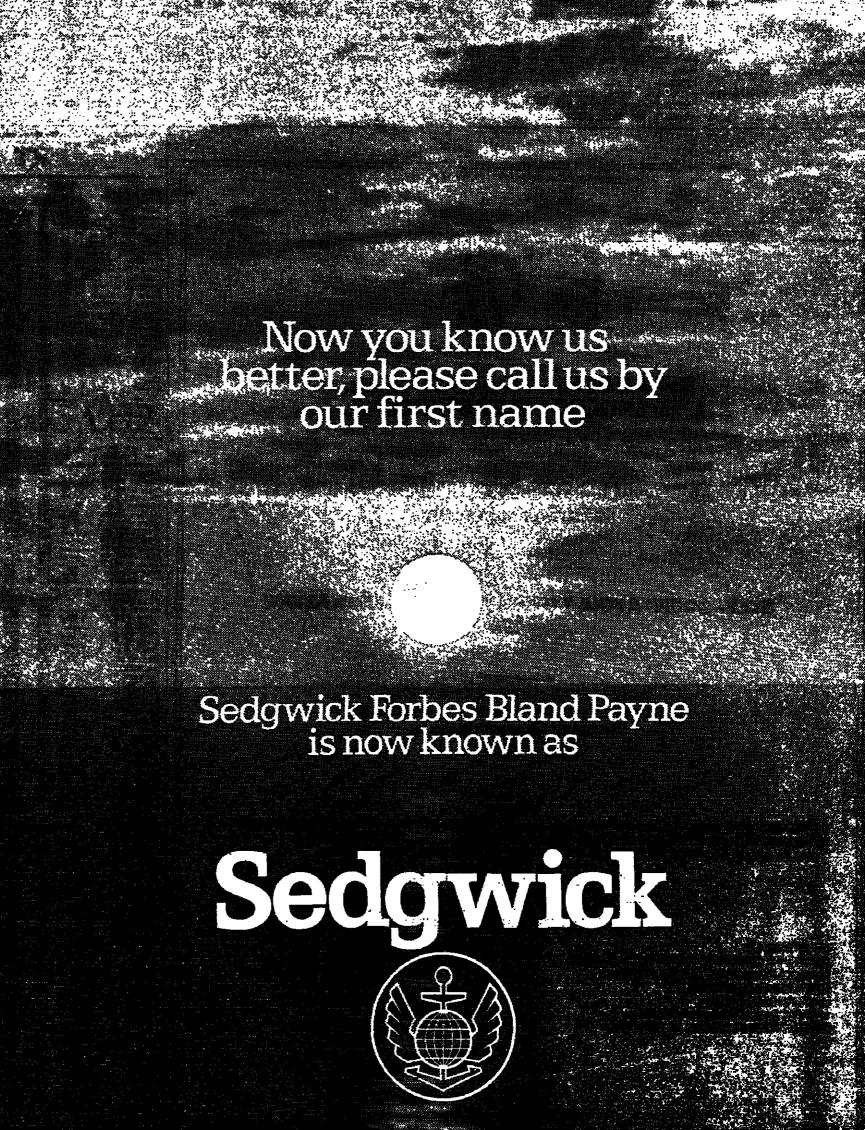
5.02

		ids of dollars ided Dec. 31)	
Net Sales Interest and other Income - net	1979 \$3,359,914 34,405	1978 \$2,790,521 24,700	
· ·	3,394,319	2,815,221	
Cost of products sold Selling and administrative expenses Research and Development expenses Interest expense Exchange loss – net	2,487,543 452,621 67,356 86,925 3,935 3,098,380	2,067,075 357,502 47,049 67,202 15,957 2,554,785	-
Income before income taxes and Extraordinary Credit Income taxes	295,939 141,873	260,436 140,746	
Income before extraordinary credit Extraordinary credit	154,066	119,690 11,584	
Net Income -	\$154,066	\$131,274	

Copies of Eaton's Annual Report and European supplement may be obtained from the Director of Communications, Eaton Ltd., Eaton House Staines Road, Hounslow, Middlesex TW4 5DX.

Net income, in dollars, per common share

ceeding. He attempt to take over Chifford's follows last year's sale of its creameries to the Milk Marketing Board, for which it re-W. & E. TURNER from holders of 10.18m new Turner shares and This represents 98.2 per cent of each class of its capital. Under the share election, waith receive 2.2m onlinary Hepworth



ELBAR INDUSTRIAL LIMITED

Results and extracts from the Hon.A.L. Hood's statement issued with the Company's Report and Accounts for the year ended 31st December, 1979

50,095,521 2,757.407 OPERATING PROFIT BEFORE INTEREST. PROFIT BEFORE TAXATION PROFIT AFTER TAXATION 2.098,492 - 10.00p

When I reported a year ago I said that 1979 had had a difficult difficulties continued throughout the year. As a result, and in spite of our best endeavours, the operating profit of the Group fell from ΩI million to ΩS million and the profit before tax from ΩS million to ΩS million.

tax from £2. million to £1.5 million.

The Ford strike at the end of 1978 and the Transport Drivers strike at the beginning of 1979 affected the early months of the year. Thereafter, industrial conditions were difficult throughout the United Kingdom. Circumstances which most affected our business were the steady increase in fuel prices and the progressive rise in interest rates. Both the Motor Car and Agricultural Divisions necessarily carry substantial stocks of new and secondhand equipment, as well as of spare parts. While great efforts have been made and are still being made to reduce. stocks, there is a limit to this process if customers are to be satisfied. Customer satisfaction

Tight money has affected our customers' willingness to buy, as well as their promptness to pay. As the year went on, increasing emphasis had to be placed on collecting debts, at the expense sometimes of efforts to self. At the end of the year our stocks and our debtors were

Industrial Engines has also had a difficult year, with serious decline in the demand within the United Kingdom. Exports, fortunately, have increased birt, here again, extended credit is

The Elbar Engineering Company had no North Sea oil related work in 1979. While the factories kept busy be other work the trading profits were significantly reduced. Fortunately, a new North Sea contract has now been received which will fully employ the Elgin factory

The Group made no new acquisitions in 1979. During the year, however, agreement was iched with the Ford Moster Company for the Elbar Group to recondition Ford York and reached with the rord mozor company for the clear Group to recondition rord Tork and Dorset diesel engines at Grantham. To accommodate the necessary facilities, the Elbar Group purchased, since the year-end, an industrial complex of about 15 acres from British Leyland near Grantham. Preliminary work on this engine reconditioning project has already started and work will commonce in the new premises in the last quarter of 1980. It is the Group's intention to move its Agricultural and other industrial Engines activities in Grantham to the new premises in due course. The galial commisments this way include the available or significant of the new premises. due course. The capital commitments this year include the expected capital costs of the gine reconditioning project. These costs will be funded by additional medium-term loan cilities which have been made available to the Group.

With effect from 1st January, 1980, the Group's operations have been divisions, to be known as the Car Van and Truck, Agricultural, and Special Products Divisions.

Trading for the first circe months of 1980 has been exceptionally difficult. Interest rates emain very high. Accordingly, profitability for the first six s much too edrig to make any estimate of profitability for the second six months but your sound and Management are hopeful that there may be some recovery.

The Company's Annual General Meeting will be held in the Council Chamber of the present insurance institute, 20 Aldermanhury, London SCZV 77DC, at 10.30 a.m. on Wednesday,

INTERNATIONAL BONDS

BY FRANCIS GHILES

players in the market are

increasing daily, as bond prices

Many recently launched issues

have gone to a premium in the

seconary market, a phenomenon

which has not been witnessed since 1978. The Caisse Nationale

des Autoroutes 124 per cent

bond to 1995 gained four points last week to close at 102-1 on

Friday. Even issues which had not met with a kind reception

The recent issue for Sweden

which was completed last week

now stands at a premium of around seven points over par.

Such hefty rises suggested late

last week that some investors

might start taking profits. Such

a move could be further encour

aged by the narrowing gap

between dollar and Deutsche

In the Deutsche Mark sector

at first showed gains:

continue to climb.

All sectors surge ahead

THE WIDESPREAD conviction they managed to arrange a total among investors that the long of DM1.56bn-worth of bonds, the awaited U.S. recession is now highest figure this year.

well under way and the sharp The rally in dollar bond prices well under way and the sharp
fall in Eurodollar rates with which started in earnest after
nessed last week—the three—Easter thus continues unabated. than two points last week.

party was in full swing the tors from buying more paper.
Bundesbank decided to push up
German interest rates — in the worth of new bonds have been Mark-denominated paper in which split over into the Euro-earnest since Easter, that bond market yesterday. German rates had effectively

that the DM750m-DM800m-worth gains of up to 11 points. of new foreign bonds the In April, despite agreeing to an initial 12 per cent mooted on Friday. new issue calender of DM100m, Among the dollar bond.

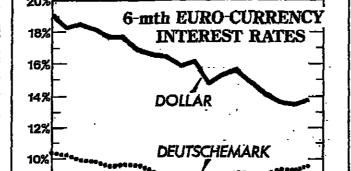
U.S. BONDS

month rate fell 21 per cent to By the end of last week, yields close on Friday at 134 per cent of less than 12 per cent were—combined to push straight available on any number of dollar bond prices up by more seasoned issues in the interhan two points last week. mediary range. This develop-While the dollar interest rate ment in no way deterred inves-

In the last eight days \$435m worth of new bonds have been case of the Lombard rate by a arranged and a further \$100m full point to 93 per cent. This issue for ECSC, which Paribas full point to 91 per cent. This issue for ECSC, which Paribas increase had little direct impact was expected to launch on the Deutsche Mark foreign last Friday with an indicated bond market except that it coupon of 12 per cent, was held seemed to convince investors book because of the strength of who have been buying Deutsche the rally in New York on Friday,

Despite most London houses being closed for the Bank Holi- Business Development Corpora-German bankers are confident day, dollar bond prices posted

Capital Markets sub-committee would give the green light for cent, through Paine Webber. has scheduled for May will be the ECSC issue last night, but Last night a \$200m 5-y with a lower coupon than the Among the dollar bonds Goldman Sachs while Salomon to investors points out, the



APRIL

launched in the last eight days Brothers announced a \$100m was a \$75m bond for Federal tion, and a \$25m 15-year convertible for Apachi Corporation. India meanwhile is arranging a the only new issue was for carrying a coupon of 81 per \$25m seven-year FRN issue Oesterrichische Kontrollbank in

It was thought that Paribas carrying a coupon of St per Last night a \$200m 5-year bond for Ford, with a coupon of 12; was launched through

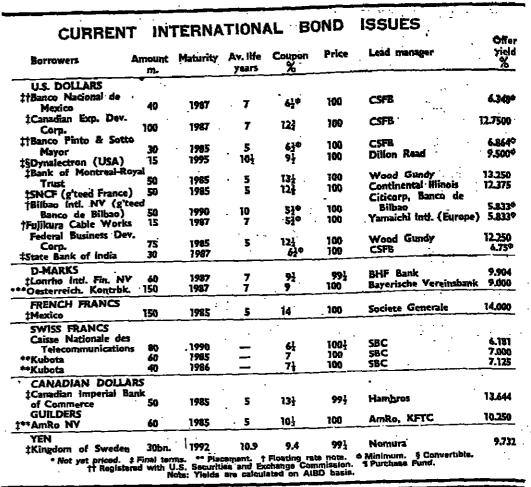
Many bond houses also reported a accord level of trading. As Kidder Peabody's weekly Telex

111 per cent 10-year issue for EDF.

increased to DM 150m) private placement arranged by Bayer-Bank Corporation.

The State Bank of

Mark interest rates.



BY PETER MONTAGNON

Ready for cut in discount rate

THE POSSIBILITY that the with which the economy is the last few days, despite consist of \$3.5bn of 3½ year fed might soon ease its tight moving into recession, and at inteerst rate increases in notes today, \$2bn of 10½ per credit policy gave a boost to the sharp drop in the money Europe. The Fed may, however. cent notes maturing in Novement of the sharp drop in the money below this week's heavy issue calennew 30-year bond of \$2bn on the state of the sharp drop in the money below this week's heavy issue calennew 30-year bond of \$2bn on the sharp drop in the sharp drop in the money below this week's heavy issue calennew 30-year bond of \$2bn on the sharp drop in the sharp drop in the money below this week's heavy issue calennew 30-year bond of \$2bn on the sharp drop in the sharp drop in the money below this week's heavy issue calennew 30-year bond of \$2bn on the sharp drop in the sharp drop in the money below this week's heavy issue calennew 30-year bond of \$2bn on the sharp drop in the sharp drop in the money below this week's heavy issue calennew 30-year bond of \$2bn on the sharp drop in the money below this week's heavy issue calennew 30-year bond of \$2bn on the sharp drop in the money below this week's heavy issue calennew 30-year bond of \$2bn on the sharp drop in the money below the sharp drop in the sharp drop in the money below the sharp drop in the sharp drop in the money below the sharp drop in the sharp drop in the money below the sharp drop in the sharp drop in the money below the sharp drop in th already shown considerable target). Statistics from Wash-dar is past. strength. However, the markets ington last week showed a 2.6 Responding supply in the next few days, overlaid by speculation of a possible cut in the discount rate. Although not unexpected,

had expected. The Fed is now not only it imposed as part of its March week tolerating but apparently also anti-inflation package. encouraging a sharp drop in interest rates. On Friday, it the view that a discount rate debentures due 2020, rated intervened in the key Fed cut will come first, followed by triple A, is expected for today, funds market to give Wall an easing of credit restraint and this should set a useful Street a strong signal that it towards the end of this quarter. benchmark in the fast-moving wants interest rates to stay The Fed will probably tend down. It pumped money in at towards caution however, until 141 per cent to keep the rate some sign of abatement appears below that level. Previously, it in the rate of inflation. only intervened to cushion the sharp fall that occurred once declining rates on the dollar is \$100m of double A debentures

cent unemployment rate.

both these factors weighed has the option of cutting new issupes calendar swelled

Concern for the impact of

interest rates turned about a evidently secondary, probably due 2005. because domestic preoccupa-This appeared to confirm the tions are very strong, and make its May quarterly financ-view that the Fed is now deeply partly because the dollar has ing over the next three days.

Responding to the recent will have to contend with heavy per cent drop in the leading drop in rates, the corporate economic indicators and a 7 per sector is racing to complete new financing plans before rates However, in deciding how to either go up again or more handle the situation the Fed uncertainties develop. The more heavily than Wall Street interest rates or removing by about \$2bn last week, and some or all of the credit curbs up to \$1bn could come this

> A new Bell issue, Pacific Wall Street economists take Northwest Telephone's \$150m of market.

Some time during the week there will be Boise Cascade's \$100m of single A notes due 1990, and Dayton Hudson's

The Treasury is also due to concerned both at the speed shown a bit more strength in As announced last week, it will

Thursday. This is all very much in line with the market's expectations. All should producce lower yields than the last

Wall Street will be watching for a couple of economic indi-cators this week. The consumer instalment figures for March will come out either today or tomorrow. Although these will cover only part of the period of the Fed's new curbs on con-sumer credit (which came into effect in mid-March), better figures would consolidate the market's confidence.

The producer price index for April comes out on Friday. U.S. INTEREST RATES %

		ending April 25
3-month Treas, bills	10.29	11.95
3-mth. Comm. Paper Fed Funds weekly	11.38	13.00
average	14.35	16.27
30-yr. Treas. bond	10,65	11.15
AAA Utility	11,625	12.00
AA industrial	11,255	f1. 63
Source: Salom	on Bros.	

CREDITS

Business starts to pick up BUSINESS in the international This would impact particus is expected shortly for the per cent over Libor for the capital markets picked up larly on the Eurocredit market \$450m credit being sought by first three rising to I per cent during April after a very slack where these countries arrange IMI and five other arrivals to the restriction of the countries arrange IMI and five other arrivals.

during the preceding three months. Borrowings totalling account payments deficits. several billion dollars more are in the early stages of negotia-

revival, of borrower interest has, however, concentrated on the industrial countries, Morgan Guaranty says. Gross international borrowing by non-oil developing countries, in the first four months was only \$5.3bn or half the total raised durin gthe same period of 1979. Their borrowing requirement is presently expected to exceed \$30bn this year which means their recourse to the international capital markets during the next eight months may have to be double the average monthly level during the first

efforts to reduce their current

Even so, it says it expects these countries will have to accept wider spreads in order to attract sufficient lenders. International bankers add

that one country where this is becoming abundantly clear is Brazil, where the current \$350m credit for Banco Nacional do Desenvilvimento Economico is moving very slowly indeed. Bank of Montreal, which is managing the credit, has decided to take over the entire \$75m 10-year tranche itself and by last Friday had not yet formed a large enough group of international banks to cover all the remainder.

first quarter. Morgan Guaranty the bulk of their borrowings, but finance the Italian portion of week by Hanil Bank to Cittbank Trust says, in its latest edition of World Financial Markets, that it is still not certain how far credit will be in two transfers. Korea to BankAmerica International horses in the still not certain how far credit will be in two transfers. new international bond issues they will reduce their funding One, totalling \$420m, is a national Lloyds Bank International April compared with a reserves and unused credit coming April compared with a reserves and unused credit coming april compared of only \$6.5bm international by stepping up to i per cent thereafter. The Bank managed by Manufacturing the appropriate the state of the first five years rising a part of the first five years. The Bank managed by Manufacturing the appropriate the state of the first five years. The Bank managed by Manufacturing the appropriate the state of the first five years rising the state of the first five years. The Bank managed by Manufacturing the appropriate the state of the first five years rising the state of the first five years. to 1 per cent thereafter. The other \$30m, which will not be syndicated but held by the 10 international banks maniging commercial banks will also the transaction, will be for 13

> Meanwhile, the telephone company Societa Italiana per L'Esercizia Telefonica is seek-ing \$150m through Orion and Credito Italiano. This will be a 10-year deal but carries the somewhat unusual feature that only an eight-year portion will be syndicated at a spread of 4. For the last two years the credit will be taken over by the managers at a spread of { per

years at a spread of 1.

Korea is also seeking fresh funds through its commercial banks. Mandates for \$50m each In Italy the formal mandate over eight years with spreads of

turers Hanover is thought likely to emerge shortly. Two other come to the market in May, while a \$600m credit for the Korean Development Bank is

expected in July. With Venezuela's plans for a jumbo credit of up to \$1.8bm proceeding apace, attention has also focussed on a \$147m deal by Corporacion Venezolana de Fomento led by Shearson Loeb Rhodes International. This may be one of the last short-term borrowings by public agencies in view of Venezuela's plans to consolidate short-term debt. The credit is for one year at a spread of } over Libor. It has been oversubscribed and discussions are under way on a



SIP - SOCIETA ITALIANA PER L'ESERCIZIO TELEFONICO P.

U.S.\$70,000,000 MEDIUM TERM CREDIT FACILITY

STET – SOCIETA FINANZIARIA TELEFONICA PER AZIONI

YEAD-MANACED BY CHASE MERCHANT BANKING GROUP **LONDON & CONTINENTAL BANKERS LIMITED** SWISS BANK CORPORATION

Banco di Santo spirito (Luxembourg) s.a. GIROZENTRALE UND BANK DER OSTERREICHISCHEN SPARKASSEN AKTIENGESELLSCHAFT

BANQUE INTERNATIONALE A LUXEMBOURG S.A. LUXEMBOURG ITALIAN BANKS.A, NAGRAFIN BANK LIMITED

SWISS BANK CORPORATION INTERNATIONAL LIMITED BANQUE INTERNATIONALE A LUXEMBOURG S.A. LUXEMBOURG ITALIAN BANKS.A. NAGRAFIN BANK LIMITED THE FIRST NATIONAL BANK OF CHICAGO CAISSE CENTRALE DES BANQUES POPULAIRES

LONDON & CONTINENTAL BANKERS LIMITED

BANCO DI SANTO SPIRITO (LUXEMBOURG) S.A. GIROZENTRALE UND BANK DER OSTERREICHISCHEN SPARKASSEN AKTIENGESELLSCHAFT BANCO TOTTA & ACORES, NEW YORK AGENCY NORDIC BANK LIMITED

AGENT BANK CHASE BANK A.G.

cent.

			<u>:</u>
U.S. DOLLAR		Change on	l·
STRAIGHTS	stued	Bid Offer day week Yield	OTHER STRAIGHTS
Alex Howden XW 97 91	30	89 891, +07, +21, 11.99	Bell Canada 104 86 CS
Austrelian Res, 9% 84		93 ¹ ₂ 94 +0 ¹ ₂ +3 .11.54	· Cr. Foncier 104 84 CS
Avco O/S Cap. 10 87	40	804 804 +04 +14 14.90	Ex. Dev. Cpn, 10 84 CS
Beneficial Fin. 94, 87	100	894 894 +04 +14 11.99	Fst. Can. Inv. 10 84 C\$
CECA Grad Rate 12 86	100	921 931 +01 +01 13.60	Hudson Bay 1012 89 CS
CECA 11% 90	50	95 96 +0% +4 12.42	Ouebec 104 86 CS
Canadian Pacific 94 89	50	914 917 +14 +37 11.27	R. Bk. Cenade 10 86 25
Carter Hewley 94 86	50	90 903 +03 +23 12:06	R. Bk. Canada 10 94 CS
Comalco Inv. E. 104 91	40	921, 923, +17, +47, 11.46	. Copenhagen 84 91 EUA
Continental Grp. 9% 88	190	903, 903, +03, +23, 11.83	M. Bk, Drimk. 9 91 EUA
Dome Petroleum 10 94	54	83% 84% +1% +3% 12.46	SOFTE 84 89 EUA
. Dominion Bridge 10% 84	30	93 9312 +012 +212 12.42	U. Bk. Nrwy. 91- 90 EUA
EIB 11% 92	80	931, 931, +01, +21, 12.83	Anglemene Bk. 84 84 Fi
EIB 10.15 99		1824 84 -00 +17 12.88	Ned. Gasunie 84 84 F1
EIB 13% 90	100	1044 1054 +14 +34 12.83	Ned. Middbk. 84 84 Fl
Ekportfin 11% 87	50	974 974 +04 +24 11.81	Norway 84 84 Fl
Export Dv. Cpn. 94 84	100	934 944 +14 +34 11.24	Norway 84 84 Fl
Export Dv. Cpn. 92 84	150	944 947 +14 +34 11.35	Philips Lamps 84 84 FI
Finland 95, 89	100	85 85-2 +1 +0-2 12.73	Air France 11 84 FFr
GTE Finance 94 89	55	861 87 +04 +15 12.22	CECA 144 96 FFr
GMAC 974 89	75	90 903 -03 +23 11.55	Euratom 94 87 FFr
GMAC 0/S Fin. 11 84	100	967, 971, +01, +2 71.80	Finland 17 84 FFr
GMAC 0/S Fin. 134 85	100	1033, 1043, +0%, +23, 12.24	Finland 112 89 FFr
Gould Int. Fin 94, 85	50	914 917 +04 +24 12.16	Gaz de France 11 84 FFr
ITT Antilles 5 2 89	75	87% 88% +0% +2% 11.75	IBM France 11% 84 FFr
Kennecott int. 912 86	100	863 874 -04 +14 12.71	Renault 9% 85 FFr
Manitoba 91, 89	75	88½ 89 +1½ +3½ 11.59 86% 87% +0% +0% 11.94	Saint-Gobaln 9% 86 7Fr
Michelin 10 94	125 100	90% 91% +0% +2 11.59	Solvey et Cie 9% 87 FFr
Nat. Des. Telecm. 92 86		837 842 -04 +2 12.17	Citicarp O/S 131, 90 €
New Brunswick 54 94	76 50	894 894 +074 +174 11.56	EIB 114, 91 £
Newfoundland 10 94 Norges Komm, 97, 99	700	824 824 0 -04 12.53	Finance for Ind. 13 91 £
Norway 912 84	150	94 945 +04 +15 11.37	Fin. tor Ind. 12 28 E
Nova Scotia Pwr. 94 89	50	887 89% +0% +3% 11.76	Fin. for Ind. 144 88 5
Pennwelt O/S F 94 84	25	934 934 +04 +24 11.88	Gen. Elec. Co. 121, 89 £
Pensico Cap. 94 84	100	934 934 +04 +14 11.42	Swed, Ex. Cr. 15, 85 £
Quebec Hydro 10 99	75	827 83 +04 +24 12.39	Indonesia 83, 91 KD
Sears Roebuck 9 82	150	954 957 +04 +24 11.80	Mitsubishi 712 84 KD
Statoil 95 89	100	883 894 +04 +3 11.63	Norges Kom. 702 89 KD
Sweden 94 89	100 .	294 894 +04 +15 11.70	Occidental 8 91 KD
Sweden 912 86	200	90% 91% +0% +0% 12.04	Akzo 94 87 LuxFr
Sweden 54 84	100	944 95 +04 +2 11.33	Euratom 8 87 LuxFr
Unilever NV 54 87	100	885, 894, ÷01, +21, 11.60	Euratom 9% 88 LuxFr
Warner-Lambert S 84	100	914 914 +64 +14 11.71	EIB 94 88 LuxFr
Average price chang	54 O	n day +0², on week +2	Volvo 94 87 LuxFr
DEUTSCHE MARK		Change on	SI OAŽING DATE
	ssued	Bid Offer day week Yield	FIDATING RATE NOTES So
Austrelia 84 90	250	884 884 +04 +04 9.14	NOTES Sp

Sweden 94 87..... World Bank 74 51 ... World Bank 77 90 World Bank 10 86

Hitti 42 31
Int.-Amer. Dev. 42 89
Jutland Tale. 52 90 ...
Melayala 5 89 ...
Mippon Tel. & T. 42 89
Nordic Sank 5 89
Norgea Komm. 42 91...

Change
Bid Offer day w
877, 891, 401, 1
817, 827, -02, 1
881, 911, 0
871, 881, 401, 1
874, 881, 401, 1
874, 881, 401, 1

_			
			Change on
Ī	OTHER STRAIGHTS	issued	
•	Bell Canada 104 86 CS	60	914 924 +2 +24 12.61
Į.	Cr. Foncier 104 84 CS	30	874 884 +04 +14 14.19
	Ex. Dev. Cpn, 10 84 CS	50	924 924 +14 +3 12.51
	Fst. Can. Inv. 10 84 C\$	5G	901, 91 +07, +17, 13.09
	Hudson Bay 10 2 89 CS	60	901, 901 +11, +41, 12.33
,	Quebec 10 ¹ 4 86 CS	50	924 934 +24 +5 11.95
	R. Bk. Canada 10 86 CS R. Bk. Canada 10 94 CS	49 40	90 4 907 +14 +34 12.28
i	Copenhagen 84 91 EUA	20	84's 84's +0's +2's 12.38 92's 93's +0's +0's 9.76
	M. Bk, Drimk. 9 91 EUA	25	92½ 93¼ +0¾ +0¾ 9.76 93¼ 94 0 +1¾ 9.82
	SOFTE 84 89 EUA	40	8212 831 0 -012 17.35
!	U. Bk. Nrwy. 91, 90 EUA	18	97 98 +04 +04 9.90
•	Anglemene Bk. 84 84 Fi	75	97 97 0 11 8.98
	Ned. Gasunie 84 84 F1	50	911 971 -04 +07 9.53
	Ned. Middbk. 84 84 Fl	75 ·	95 95 - 0 +0 9.76
	Norway 8's 84 Fl	100	26 857 -0° +0° 8.44
	Norway 84 84 Fl	100	957, 963, -03, +13, 9.34
ï	Philips Lamps 84 84 FI	75	951 961 -01 0 9.69
	Air France 11 84 FFr	120	94 55 +04 +1 12.67
	CECA 14% 96 FFr	150 150	104 105 +01 +11 13.09
	Finland 11 84 FFr	250 20	841 951 - 01 + 1 13.18 931 942 + 01 + 01 12.72
	Finland 11 2 89 FFr	70	894 904 -04 -04 13.39
	Gaz de France 11 84 FFr	150	931, 941 +01 +01 12.75
,	IBM France 114 84 FFr	120	95 2 96 2 +0 2 +1 2 13 03
	Renault, 9% 85 FFr	100	8472 8572 +0% -0% 13.58
	Saint-Gobaln 94 86 7Fr	130	847, 847, -01, +01, 13.68
	Solvey et Cle 9% 87 FFr	125	82 83 +04 +04 73.82
	Citicorp O/S 131 90 €	50	95 96 +0 +24 14.25
	EIB 111, 91 £	25	881, 887, -0°, ±11, 13.55
	Finance for Ind. 13 91 £ Fin. for Ind. 12 28 £	15 30	947, 957, +04, +27, 13.85
'	Fin. for Ind. 142 88 5	30	90% 91% +0% +2% 14.30 · 100% 101% +0% +2% 14.22
	Gen. Elec. Co. 121, 89 £	50	934 94 +04 +34 13.77
	Swed, Ex. Cr. 154, 85 £	20-	1017, 1025, +07, +25, 14.57
	Indonesta 83, 91 KD	7	193 931 0 0 9.76
. :	Mitsubishi 712 84 KD;	10 -	1891, 901, 0 -01, 10,60
	Norges Kom. 702 89 KD	12	193 937 0 0 8.54
.	Occidental 8 91 KD	7	190 4 90 3 0 0 9.69
.	Akzo 94 87 LuxFr	500	903, 913, 0 +03, 11 03
	Euratom 8 87 LuxFr Euratom 94 88 LuxFr	500. EDO	864 874 0 +04 10.79
١	EIB 94 88 LuxFr	500 600	97 98 0 +0% 10.22 974 984 0 +0% 10.19
	Voivo 94 87 LuxFr	500	96% 97% -0% +1% 10.27
	FI DATING RATE		

37,40 10,74 14,97 0,20 6,01 5,52 1,93 12,40 58,57 47,83 7244 1106 713, 963 94 951, 861, 753,

consent. Data supplied by inter-Band Services (2 sub-

FT INTERNATIONAL BOND SERVICE 780... 91.03 (2/1) 85.19 (2/1) 71.54 (29/2)

possible increase in the amount.

EUROBOND TURNOVER

241.1 No information available. previous day's price.

† Only one market maker supplied a price. STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week arlier.

FLOATING RATE NOTES:
Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six month offered rate (4 three-month; 2 above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield. coupon. C.yld = The current yield.

CONVERTIBLE BONDS: De nominated in dollars unless otherwise indicated. Chg. day Change or day. Cnv. date First date ioi conversion into shares. Cnv. price Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem Percentage premium of the rurent centage premium of the current center of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Arab Company for Trading Securities SAK; Kredietbank NV: Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale Pangus Landesbank Girozentrale: Banque Internationale Luxembourg: Kredietbank Algemene Bank Nederland NV: Plerson, Heldring and Pierson: Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Aboyd and Smithers: Bankers Trust International; Bondtrade; Credit Commercial de France (Secs.) London; Citicorp International Bank; Daiwa Europe NV; Deltec Trading Company; Dillon, Read, Overseas Corpora-tion: EBC; First Chicago; Goldman Sachs International Corporation: Hambres Bank: 1BJ International: Kidder Peahody International: Merrill Lynch; Morgan Stanley International: Neshift Thomson; Salomon Brothers International: Samue Montagu and Co.: Scandinavian Bank: Strauss Turnbull and Co.: Sumitamo cinance International;

S. G. Warpurg and Co.; Wood Clusing prices on May 2

May 2

Discount houses face uncertainty

Money markets witnessed an eventful week, with several London discount houses publishing their annual results. The although the general feeling difficulties in the second half of among some of their competitors 1979 when Minimum Lending was that Jessel Toyobee had at Rate jumped to 17 per cent from least weathered the storm to 14 per cent-following a rise of show a loss of only £50,000. 2 per cent in the June Budget— are very much in evidence. Of very much in evidence. Of was Gerrard and National, pub-three houses announcing lishing a loss roughly equal to

figures last week only Smith St. Aubyn can feel much satisfac-tion, with a profit of £Lim, The biggest disappointment

disastrous figures from Clive Discount recently this has been a period the discount market will wish to put behind it. Another doubts about the houses future role in the banking system in duction of competition

Smith St. Aubyn's profit.

All three houses showed confidence by raising their dividends, but following the near this is likely to result in abolition of reserve ass the discount market could also be termed the reserve asset to the position before the intro

CURRENCY RATES

5,84980 1178,95 332,169 6,84864 98,6199

OTHER CURRENCIES

May 2	.£	. 5	· • <u>• </u>	E Note Rates
Argentina Peso	4030-4050	1782-1789	Austria	29,05-29;35
Australia Dollar	2.0270-2.0290 i	0.8980-0.8985	Balgium	67,20-67,80
Brazil Cruzairo		48.85-49.06	Denmark	18.70-12.77
Finland Markka		3,7215-8,7286	Fгалов	9,49.9.55
Sreek Drachma		41.80-42.10	Germany	4.08-4.101s
Hong Kong Dollar		4 0400 4 0450	Italy	1880-1925
ran Riel	D/8	1/2	Japan	543-548
Kuwait Dinar(KD)	0.610.0.620	0 2717 0 2718	Netherlands	4,50-4,5212
uxembourg Frc.	65.93:66.03	29.24-29.26	Norway	11.14-11.22
Malaysia Dollar		2 2200-2 2710	Portugal	1084-111
New Zesland Dir.		1 0380.1 0360	Spain	15512-1641
Saudi Arab. Riyat		2 39An 2 3330	Sweden	9.51-9.58
Singapore Dollar.	4 0495 4 0595	2 1870.2 1800	Switzerland	3.78-3,81
8th. African Rand	1 2000 1 2020	0 7000 D 7005	United States	2,2580-2,267

THE DOLLAR SPOT AND FORWARD THE POUND SPOT AND FORWARD

May 2	Day's Spread	Close	One month	% . p.a.	Three months	% p.a.	May 2	Day's Spread	Close	One month	% p.a.	Three months	, p.s.
U.S.	2.2525-2,2865	2,2550-2,2560	0.25-0.75c pm	4.26	1.58-1.48 pm	2.71	UK†	2.2525-2.2686	2.2550-2.2560			1,58-1,48 pm	
Canada	2.6870-2.7000	2,6900-2,8920	0.53-0.43c pm	2.14	1.07-0.97 pm	1.52	ireland†	2.0370-2.0430	2.0370-2.0386	0,65-0.55c pm		2.45-2,35 pm	
Nethind.	4.51-4.56-2	4.55-4.563	. 34-24c pm ·	7,24	7-6 pm .	5.70	Canada	1.1900-1.1910	1.1907-1.1910	0.13-0.17c dis	-1.51	0.28-0,33dis	-1.02
Beigium	6 5.80-66.20	65.93-66.03	14-4c pm	1.64	16-6 pm	0.67	Nothind.		2,0040-2.0055	0.53-0.46c pm		1.61-1.54 pm	3.14
Danmark	12.72-12.90	12,88-12,90	21-fore dis	2.97	5-6% dis	-1.82	Belgium .	. 29.17-29.2 6	29,24-28,26	5°-8c dis	-277	11-15 dis	-1.78
Ireland	1.1020-1.1090	1.1670-1.1080		1.03	0.45-0.40 am	1.53	Denmark	5.6600-5.6700	5.6600-5.6700	2.30-2.70ore dis	∽ 5.29	6.40-6.80dis	-4.66
W. Ger.	4.08-4.12	4.11-4.12	34-22pf pm	9.48	8-7 pm	7.29	W. Gar.	1.8030-1.8275	1,8240-1.8250	0.77-0.67pf pm	4.73	2.05-1,95pm	4.38
Portugal	117.00-112.00	111,25-111,75	25c pm-20 dis	-2.42	15-115 dis	-2.33	Portugal -	49.30-49.60	49.45-49.60	8-23c dis	-3.75	40-80 dis	-4.85
Spain .	160.80-162.00	160,90-161,20			165-255dis	-5.22	Spain	71.20-71.45	71.25-71.35	50-75c dis	-10:52	110-145 dis	-7,15
Italy	1920-1928	1924-1926	51-31-lire pm	2.81	3-1 pm	0.42	italy	251-00-852.50	851.75-852.50	1-2itre dis	- -2,1 †	4-51 ₂ dis	-2.23
Norway	11.17-11.22	11.174-11.18%		5.50	11-94 pm	3.62	Norway	4.9430-4,9565	4,9430-4,9470	0.90-0.50ore pm	1,70	1.80-1.40 pm	T.29
France	9,53-9,59	9,574-9,584	51-41-c pm	5.95	91-87 pm	3.60	France	4_2210-4,2400	4,2350-4,2400	0,68-0.58c pm	1,78	1.15-0.95 pm	1 0,99
Sweden	9.53-9.59	9.534-9.544	5'-4'-ore pm		87-83 pm	3.56	Sweden	4.2245-4.2340	4,2250-4,2300	0.90-0.70ore pm	2.27	1.15-0.95pm	0.99
Japan .	540-546	5411-5421-	3.10-2.60y pm	6.31	5.55-5.06 pm	3.91	Japan .	239.30=240:80	240.25-240.35	0,50-0,30y_om	2.00	9.95-0.75pm	1,41
Austria	29.00-29.33	29.28-29.33	24-19gro pm		52-42 pm	. 6.42	Austria	19.91-12.935	12.924-12.934	5,70-5.00gro pm	4.96	14.50-71.50pt	m 4:02
Switz.	3.78-3.83	3.8112-3.8212	43-34c pm -		104-94 pm	10.60	Switz.	1.6750-1.6990	1.6945-1.6955	1,42-1,32c pm	9.70	3.52-3.42pm	8.19
	nian rate is fi		france. Financi		67,30-67,40.			and Ireland a	re auoted in L	S. currency. F	orward i	premiums en	ıd
	month forwar				93-3.83c pm.					r and not to the	a individ	dual currency	y
. 412	. marian, sarinai			,									•

EURO-CURRENCY INTEREST RATES

May 2	Sterling	U.S.Dollar	Canadian Dollar		Swiss Franc	West German Mark	French Franc	Itelian Ura	Asian \$	Japanese Yen
†Short term	171 ₂ -175 ₄ 175 ₈ -175 ₆ 175 ₈ -177 ₈ 171 ₈ -171 ₄ 165 ₈ -185 ₈ 151 ₈ -155 ₈	1214-1254 1278-1518 1358-1578 1558-1578 1558-1578 1558-1578	9-10 9-10 1514-1558 1459-15 1459-15 1279-1514	107g-111g 107g-111g 11-1114 11-3-1176 11-1114 11-1114	514-519 514-634 518-514 614-636 518-558	958-973 958-978 912-958 912-958 912-978 913-978	13-151 ₈ 13-151 ₈ 13-1-13-3 13-1-13-3 13-1-13-6 13-1-13-6	12-14 14-161 ₂ 161 ₂ -18 161 ₂ -171 ₂ 161 ₂ -171 ₄ 16-17	638-618 1278-13 1512-13 12 14-1418 1354-1378 1278-13	1014-1034 1138-1138 1178-1218 13-1338 1218-1238 1034-11

LONDON MONEY RATES

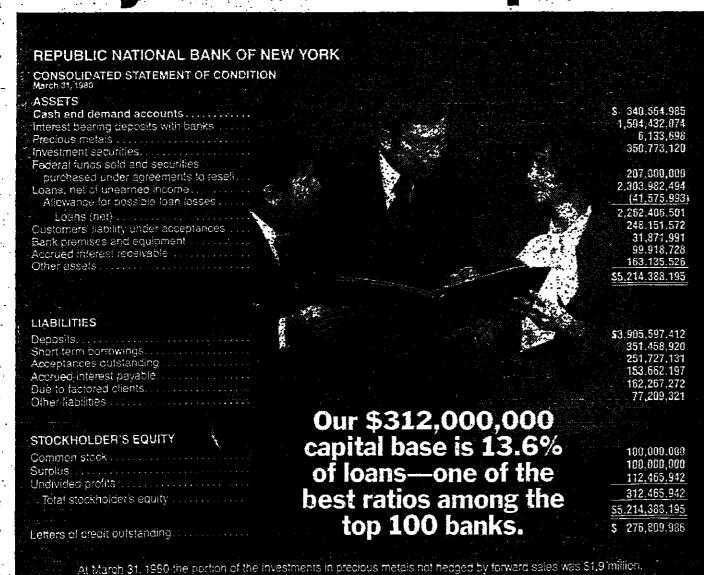
								•				1 1
) Starling		Local	(Local Auth.	Finance	1 .	Discount	 I · ·	Eligible	Fine	May 2	Bank rate Z
May. 2 1980	Certificate of deposit	Interbank		negotiable bonds	House Deposits	Company Deposits	market	Treasury Blijs o		Trade Bilis #	Sterling U.S. \$	
Over night 2 days notice 7 days or 7 days notice	Ξ.	154-18 - 1769-1734	175g-177g 175g-177g] = [1712-1754		=	1111		Canadian \$ Austria Sch Belgian F Danish K D'Mark	15,67 634 14 13
One months Two months Three months Six months	17/6-17/6 17/4-17 161 ₀₋ 16	174-174 174-174 1718-174 164-164	175g-1754 1714-171g 161g-161g	163 ₆ -177 ₈ 173 ₄ -173 ₆ 171 ₄ -167 ₈ 16-153 ₄	1778 1784 1719 1619	1748-1754 161 ₂	17 165g-163 ₄ 161g-163g	153.	17% 17 1, 1 7% 16% 15%-15 <u>£</u>	167a	Guilder French Fr. Lire Yen	10 912 15
One Year	15-1476	15 15 15 15 15 15 15 15 15 15 15 15 15 1	1514-155g 1512-155g	16-155g 156g-1514	15/3 15/3	16 153,	' <u>=</u>	Ξ	=	Ξ	Norwgn. Kr Spanish Pts Swedish Kr	9 ;

WORLD VALUE OF THE POUND

PLACE AND LOCAL U		PLACE AND LOCAL UNIT	VALUE OF £ STERLING	PLACE AND LOCAL UNIT	£ STERLI
banistan Afghani	100,0	Greenland Danish Kroner	12,89	PeruSol	exc(A) 508
iania Lek Jeria Dinar	. 10,15 8,6710	Grenada (S) E. Caribbean \$	6.10 9.58	Philippines Philippine Peso	16,40
Frenci	Franc 9.58	Guadaloupe Local Franc	2.2555	Pitcaim Islands (S) & Sterling New Zealand \$	2,3445
iorre	h Pessta 161.05	Guam	2,2555	Poland Zloty	r (Cm)69.3
ola Kwanza Igua (S) E. Caribi	68,686 6.10	I Guinea Republic Silv	43.10 76.85	Portugal	(m69.36
antina Ar. Pesn	Free Rate 4 040	Guinea Bissau Peso Guyana (S) Guyanese \$	5,7515	Port Timor Timor Escudo	. 111,50
tralia (S) Australia	n S 2.0280	I	•	Puerto Rico U.S. \$	2.2555
tria Schliling res Portug.	- 29,305 Escudo 111.50	Haiti Gourd Honduras Repub Lempka	11.30 4.5475	Qatar (5) Qatar Ryal	8.32
-		Hong Kong (\$) H.K. 5	11.1750	Reunion ile de la French Franc	9.58
amas (5) Ba. Dolla rain (5) Dinar	ur 2,2555 0,854	Hungary Forint	((com) 75,4284 ((T)(nc) 48,5718	Romania Leu	(Cm)9.5 (n/e)T25.
miric leige Sna Bas	Ata 1510E	Indianal (ff)	915.0	Rwanda Rwanda Franc	199.33
gladesh(5) Taka batios (5) Babados	34,52	India (S)	17.98	St, Christopher (5) E. Carlbbean \$	6.10
		Indonesia Rupiah	1,414.0	St. Helena St. Helena £	1.0
Jum B. Franc	((fn) 67.35	Iran	n/a 0.66885	St. Lucia E. Carlbbean # St. Pierre Local Franc	6.10 9.68
ze B \$	4,5110 and 479.0	Irish Republic (k) Irish £	1,1075	St. Vincent (S) E. Caribbean S	6.10 .
muda (S) Bda Ş	2.2585	Israel Shekel	9.7916	Sulvador El Colon	5,6620
tan Indian R	UDee 17.98	italy	1,925.0 479.0	Samoa American U.S. 5 San Marino Italian Lira	2,2555
via Bolivian swana (S), Pula	Peso 56.55 1.7805	•	4.0225	San Marino	1,925.0 78.75
til Cruzejro	# 110.77	Jamaica (5) Jamaica Dellar Japan Yen	542,0	Saudi Arabia Ryal Senegal C.F.A. Franc	7.53 479.0
Virgin Islas(S) U.S. \$	2,2555	Jordan (S) Jordan Dinar	0,673(sg)	Seychalles S. Rupes	14.40
nel (S) Brunel \$ jaria Lev	4.9475 1.9590	Kampuchea Riel	2,706,6	l Sierre Leone(S) Leone	2,4050
ma Kvat	15.20	Kenya (S) Kenya Shilling Kiribati Australian S	16,825 2,0280	Singapore (S) Singapore \$ Solomon Islands(S) Solomon Is. \$	4,9476 1,9220
undi Burundi	Franc 197,865	Korea (Nth) Won	1,9875(11)	Someli Republic Someli Shilling	(A)15,60
nercon Repub's C.F.A. Fi	mane 479.0	Korea (Sth) Won	1.342.37	l South Africa (S) Rand	1.8025
ada Canadia	n \$ 2.6910	Kuwait Kuwait Dinar	0,615	South West African Territories (S) S. A. Rand	1.8025
ada	Peseta 161,05 Escudo 82,60	Laos Kip Pot Po	905.0	SpainPeseta	161,05
TIETI ESIENDE (S) Cay. (E. 1	1 1.6795	Labanon Labanese £	7.7040 1.8085	Spanish ports in	1
t. Af. Repub C.F.A. Fr	and 479.0	Liberia Liberian \$	2,2555	North Africa Peseta	161,05
C.F.A. F	ane 479.0 (8k) 85.23	Libya Libyan Dinar	0,6680	Sri Lanka (S) S. L. Rupes	35,85 1,13
aRenmini	i Yuan 3 4090	Liechtenstein Swiss Franc Luxembourg Lux Franc	3,82 65,98	Sudan Republic Sudan £ (1) Sudan Republic, Sudan £ (2)	1,80
mbia	(F) 103.17		•	Surinam	4,0375
noro islanga C.F.A. F! Igo (Brazaville), C.F.A. F!	anc 479.0	MacaoPataca MadeiraPortug'se Escudo	12.00 111.50	Swaziland (S) Lilangeni Sweden S Krope	1,8025 9,54
ta Rica Colon	19.40	Malagasy Republic MG Franc	479,0	Sweden S. Krona Switzerland Swiss Franc	5,82
E Cuban P	1,5975	Melewi (8)	1.84 5.0475	Syria Syria £	(A)8,883
rus (S) Cyprus £	0,8020 ((opm) 12,30	Malaysia (S)	8.8915	Taiwan New Taiwan	(P)81_20
choslovakia Koruna	√ n/c24.28	Mali Republic Mali Franc	958.0	Tanzania (5) Tan. Shiiiing Thailand Baht	18,30 46,60
	(T)20,48	Maita (\$) Maitese £ Martinique Local Franc	0.787 9.58	Togo Republic C.F.A. Franc	479,0
mark Danish K		i Mauritania Ougulya :	95.00	Tonga Islands (8), Pa'anga	2,0280
outiFr. Jinica (5) E. Caribi	375.5 sean \$ 6,10	Materitius (S). M. Ruman	17.40	Trinidad (S) Trinidad & Tob. \$ Tunisia	5,4130 0,909 (
inican Repub Dominica	in Peso 2.2555	Mexico	51.63 479.0	Turkey, Turkish Lira	169.40
-		Monaco French Franc	9.58	Turks & Cajoos, U.S, 8	2,2555
dor Sucre	∫(0) 56,74 {(F) 63,35	Mongolla Tugrik	(0)6.185(1)	Tuvalu Australian \$	2,0280
ot Egyptian	£ (U) 1,58	Monserrat E. Caribbean \$ Morocco Dirham	6.10 8.79(sg)	Uganda (S) Uganda Shilling United States U.S. Dollar	16,75 2,2555
ntorial Guinea, Peseta	161.05	Mozembique Moz. Escudo	65,31	Uruguay	((cm)19
pia Ethiopia:	n Blπ (P) 4,6250	1 .	•		1(fn)19.
and Islands (\$ Falkland	ls,£ 1,0	Nauru	2.0260 27.15	Utd. Arab Emirates U.A.E. Dirham	8.42 1.4892
e islands Danish K	rone 12,89	Netherlands Guilder	4.5575	U.S.S.R	479,0
siands	1,8945 8.39	NetherlandAntilles Antillian Guilder	4.0375	Vatican	
ce French F	ranc 9.58	New Hebrides Franc.	153,5 2,0280	Venezuela Bolivar	1,925.0
chC'tyln Af C.F.A. Fr	LTC 479.0	New Zealand (S) N. Z. Dollar	2.3445	Vietnam Dong	(O)4.932
ch Guiana Local Fra ch Pacific Is G.F.P. Fr	inc 9,58	Nicaragua Cordoba	22,62	Virgin Islands U.S. U.S. Dollar	2.2555
		Niger Republic C. F. A. Franc Nigeria (S) Naira	479,0 1,267479 (sg)	Western Samoa (S) Samoan Tala	•
n	ane 479,0	Norway Norway Krone	11,18		2.1545
ibia (5) Dalasi	4.0 4.115	Oman Sul'ate of (S) Rial Omani	0.782	Yemen (Nth) Ryal Yemen (Sth) S. Yemen Dinar	10.84() (A) 0.77
on	Mark 4,115	Pakistan Pakistan Rupee	22,25	Yugoslavia New Y Dinar	47.241
NE (8) C601	0,20	Panama Baiboa	22,25 2,2555	Zaire Republic Zaire .	6.6856
altar (K) Gibratta:	·\$ { 1.0-	Papua N. Guinea(S) Kina	1,5580	ZambiaKwacha	1.78 1.4550
oce Drachma	95,654	Paraguay Guarani	282,36	Zimbabwe Zimbabwe \$	1 4550

ns except countries having a bileteral agreement with Egypt, and who are not members of IMF. ([])Based on

Look behind our numbers and you'll see our exportise.



What does such an unusually high capital-toloan ratio mean to an exporter? It means that our experienced, hard working people such as Richard Lazarus, Douglas Waterman, and Catherine Cronin, of our Multinational Group are ready to finance your exports.

They know their way around export financing as few bankers do. They can make or obtain decisions fast-usually within 48 hours. They quote fixed or floating rates, and work with or without government export

assistance programs. To help you save time, each quarter they publish a list of countries in which they will finance exports. All of this, plus their relationships with Trade Development Bank in Geneva, Paris, London, Luxembourg, and Banco Safra in Brazil, result in an extraordinary export financing capability.

Put some of Republic's exportise to work for you. Call them in New York at (212) 930-6000 or Republic International Bank of New York in Miami at (305) 379-4000 and ask them for their quarterly country list.

America's 41st largest bank, and growing.

Republic National Bank of New York/Republic New York Corporation, Fifth Avenue at 40th Street, New York, N.Y. 10018 London • Nassau • Cayman Islands • Miami • Santiago • Hong Kong • 20 offices in Manhattan, Brooklyn, Queens & Suffolk County. Affiliates and Representatives in : Beirut, Bogota, Buenos Aires, Caracas, Chiasso, Frankfurt/Main, Geneva, Luxembourg, Mexico City, Montevideo, Panama City, Pans, Rio de Janeiro, Sao Paulo, Tokyo Member Federal Reserve System/Member Federal Deposit Insurance Corporation A subsidiary of Trade Development Bank Holding S.A. Luxembourg

H()ENT

ASSURANCE COMPANY LIMITED

1979-a difficult year



The following is taken from the Statement by the Chairman, Mr. Jocelyn Hambro, and the Report to Shareholders for the year 1979.

The figures show continuing growth during a period when trading conditions have fluctuated greatly in most of the territories where the Company trades.

GROUP RESULTS 1979 1978 £m General Premium Income 355.9 337.6 Life New Sums Assured 2006.4 1721.4 Investment Income 45.3 39.5 Underwriting Transfers -11.0-0.5Group Net Profit - 18:4 -22.9 Profit Retained 10.4 15.8

1979 REVIEWED

Earnings per Share

- * Substantially increased contributions from life business and investment income but heavier general business underwriting losses.
- * Severe weather conditions in Britain produced a heavy incidence of claims in the motor and property classes. Profitability of liability covers suffered from the increasing cost of personal injury awards.
- Results emphasise the need for premiums world-wide to be raised to levels commensurate with the risks undertaken.
- * New life sums assured held up well even after exceptional increases in 1978, and, for the first time, broke the £2,000m mark.
- * The total dividends for the year represent an increase of ้าการ ค้าระการ ขาวะสุขารชาว การเรื่อ 15% over those for 1978.

INVEST IN 50,000 BETTER TOMORROWS!

For a copy of the

1979, please write to

Phoenix House,

4-5 King William Street.

London EC4P4HR.

Secretarial Department,

50,000 people in the United Kingdom suffer from progressively peralysing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE.

We need your donation to anable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.

Please help-Send a donation today to: Room F.1, The Multiple Scierosis Society of G.B. and N.L. 286 Munsier Road Fulham, London SW6 6BE

23 BILLION BARRELS OF NEW NORTH

30.4p

38.0p

SEA OIL?

A convincing new series of Consultative Reports points the way to securing Britain's oil and gas self-sufficiency well into the 21st century. Volume I, entitled "Jurassic Oil in the Northern UK Sector," describes not only where these reserves will be discovered but how they can be found. Interested? Contact Steve Bushell Limited on 01-223 2365.

COMPANY NOTICES

NESTLÉ S.A.

Cham and Yevey (Switzerland)

THE 113TH ORDINARY GENERAL MEETING OF SHAREHOLDERS is to be held at 3.00 p.m. on Thurdsay. 22nd May 1980, at the "Palais de Beaulieu" LAUSANNE (SWITZERLAND).

AGENDA

- 1. Approval of the Accounts for 1979 and of the Annual Report. 2. Release from responsibility of the Board of Directors and of
- the Management.
- 3. Decision regarding the appropriation of the net profit. 4. Elections in accordance with the Articles of Association.

The owners of bearer shares may obtain their cards giving admission to the general meeting (with a proxy) at the Company's Transfer Office in Cham up to Monday 19th May 1980 at noon, at the latest. The cards will be delivered against the statement of a bank that the shares are deposited or upon deposit of the shares in the offices of the Company where they will remain blocked until the day after the general meeting.

The report Nestie 1979 with the annual report of Nestie S.A. (comprising the Balance Sheet and the Profit and Loss Account with comments, the Auditors' Report and the proposals for the appropriation of profits) is available to the holders of bearer shares as from 5th May 1980, at the Registered Offices at Cham and Vevey, and as from the 7th May at the Offices of the Paying Agencs of the Company.

The holders of registered shares whose names are entered in the Share Register will, within the next few days, receive at their last address communicated to the Company, an envelope containing the Notice for the General Meeting, together with a form comprising an application for obtaining the card giving admission to such meeting as well as a proxy. On the other hand, the aforesaid report will be dispatched a few days later.

The shareholders are requested to address any correspondence concerning the General Meeting to the Transfer Office of the Company at Cham (Switzerland).

The Board of Directors

Cham and Vevey. 5th May 1980

COMMERZBANK **AKTIENGESELLSCHAFT**

PAYMENT OF DIVIDEND NOTICE IS HEREBY GIVEN to shareholders that following a resolution passed at the Annual General Meeting of chareholders held on 2nd May, 1980 a Dividend for the year ended 31st December, 1979 will be paid, as from 5th May, 1950 of DM 8.50 per share of DM 50 nominal held, against presentation of Coupon No. 40 or lodgement of new London Deposit Certificates for marking Square No. 3.

All dividend payments will be subject to a deduction of

German Capital Yields Tax at 25%.
Coupons and London Deposit Certificates should be lodged

S. G. WARBURG & CO. LTD., Coupon Department, St. Albans House. Goldsmith Street.

London EC2P 2DL from whom appropriate claim forms can be obtained. Coupons will be paid at the rate of exchange on the day

Payment in respect of London Deposit Certificates will be made at the rate of exchange ruling on the day of receipt of the dividend on the equivalent shares deposited in Germany.

United Kingdom Income Tax will be deducted at the rate of 15% unless claims are accompanied by an affidavit. German Capital Yields Tax deducted in excess of 15% is recoverable by United Kingdom residents. The Company's United Kingdom Paying Agent will, upon request, provide shareholders or their agents with the appropriate form for

ISSUE OF NEW COUPON SHEETS

Once the payment of a dividend in respect of the year ended 31st December, 1979 has been paid (against presentation of Coupon No. 40), the old shares of Commerzhank A.G., will retain the talon only.

New coupon sheets which contain Coupon No. 41 to No. 60 and talon will be issued free of charge as from 5th May, 1980. In order for United Kingdom shareholders to receive the new coupon sheets they are hereby requested to lodge the talons from the old shares with the Company's United Kingdom

Paying Agent at the above mentioned address.

Temporary Receipts will be issued for these talons and shareholders will be advised in due course when the new coupon sheets are available for exchange.

COMMERZBANK AKTIENGESELLSCHAFT 6th May, 1980

FLEMING JAPAN FUND S.A. Société Anonyme Luxembourg. 37, rue Notre-Dame R.C., Luxembourg B 8,392

Notice is hereby given that the Annual General Meeting

of the company will be held at the offices of KREDIETBANK S.A. Luxembourgeoi 43, Boulevard Royal, Luxembourg on May 14th, 1990 at 3.00 p.m.

Agenda ission of the reports of the Board of Directors and of the Statutory

Augment of the invancial statements for the year ended Mst December, 1979, Payment of a dividend. Payment of a dividend.

Discharge of Directors and of the Statutory Auditors in respect of the carrying out of their duties for the year ended 31st December, 1979.

Raiffication of the co-option of Mr. J. Hamilius as a Director.

Receipt of and action on nomination for election of Directors and the Statutory Auditors for a new statutory term.

Directors' remuneration.

Miscellaneous business as may properly come before the Meeting.

A member entitled no attent and ware at the above Meeting may appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the company. In order to take part at the specific of May 14th, 1940 the owners of bearer shares will have to deposit their charce certificates five clear days before the meeting at the registered office of the Fund or at a bank.

Fleming Japan Fund S.A. The Secretary

STANDARD CHARTERED INTERNATIONAL BOND FUND

Société Anonyme Luxembourg, 37, rue Notre-Dame R.C. Luxembourg B 16,581

Notice is hereby given that the Annual General Meeting of the company will be held at the offices of KREDIETBANK S.A. Luxu

ard Royal, Luxembourg on May 14th, 1980 at 11.00 a.m. Agenda Submission of the reports of the Board of Directors and of the Status

Approval of the linancial statements for the year ended 3tst December. 1979. Discharge of Directors and of the Statutory Auditors in respect of the carrying out of their duties for the year ended 3tst December. 1979. Receipt of and action on nomination for election of Directors and the Statutory Auditors for a new statutory term.

science of an act statutory term.

Incliners for a new statutory term.

Inclinerous business as may properly come before the Meeting.

Inember entitled to attend and vote at the above Meeting may appoint a proxy and und vote on his behalf and such proxy need not be a member of the norder to take part at the Meeting of May 14th, 1980 the owners of bearer shares are to deposit their share certificates five clear days before the Meeting at the will have to deposit their share certificates registered office of the Fund or at a benix.

Sundard Chartered International Board Fund

Dividend notice to the holders of PLAN DEPOSITARY RECEIPTS FOR COMMON STOCK OF TRID KENWOOD CORPORATION (Furbary I've Electrolics Inc.)

DESIGNATED COUPON NO. 40 pired on or prior to 30th June, 19801*

Chemical Bank. as Denoslary (the "Depositary" under the Opposite Agreement dated as of May 1st, 1970, among Trio Remutod Corp., the Agreement dated as of May 1st, 1970, among Trio Remutod Corp., the Campany "A: the Denoslary and the Poleers of European Depositary Receipts (the "Receipts") issued thereunder in respect of shares of Common Stock, the "Receipts" of the Company (the "Common Stock"). HEREBY payers and the peneral meeting of stockholders of the Company held in Tokyo, Japan, on 19th February, 1980, such stockholders are the Company held in Tokyo, Japan, on 19th February, 1980, such stockholders are provided in Dolyon Japan, on 19th February, 1980, such stockholders approved the gymeet of a dividend of 4.5 Yen per thare of Common Stock," Denosit Agreement, less a portion thereof withheld by the Company on account of Japanese taxes, has been received by the Company on account of Japanese taxes, has been received by the Company on account of Japanese taxes, has been received by the Company and providence of 246.198 yen uper United States Dollars, as agent for the Depositary, and, pursuant to the provisions of such Controllars, and providence of 246.198 yen uper United States Dollars, the Provisional apprehensis with Australia, Belgium, Canada, Denmark, France, the February has been advised by the Company that Japan is a party to international apprehensis with Australia, Belgium, Canada, Denmark, France, the February and the United States of America under which creating persons are entitled to a 15% tax withholding street on dividenda soch as the dividend in question. The persons so entitled include residence of such countries and companies organized thereunder meeting cartain conditions relating to the carrying on of trade of business in Japan. Persons not so entitled to a 15% tax withholding will be paid a dividend on which a 20% tax withholding will be paid a dividend on which a 20% tax withholding will be paid a dividend on which a 20% tax withholding the control of the term of which are to the bendere

reductions: in the Coronastances to asset such models in analogy beingeres in the Coronastances to asset applicable to the Company, the cause of Japanese tax result to the Company, shortly after 30th June. the excess received by the Custodian over 50°9, of the dividend payable ocable to unsurrendered Company No. 40. They such date will be a result, potation surrendering Coulon No. 40 after such date will be a coronastance of the supplementary a dividend on a care without the Depositary or any Sub-depositary a dividend on a lax withholding, will be required (in order to realize such extitionent) to application to the Company for an additional 5%. Such application consistently with the foregoing paragraph, be apade through the Depositary.

ALGEMENE BANK NEDERLAND N.V.

(Incorporated in The Netherlands with (Imited Hability) Final Dividend for the year 1979

At the Annual General Meeting held on 2nd May, 1980, a final dividend Divident State of the Annual General Meeting held on 2nd May, 1980, a final dividend Dividers in shares and cash or wholly in cash, as from 14th May, 1980, Shareholders opting for the shares and cash alternative would be entitled a share premium bonus of Dfs 2.50 in ordinary shares together with 1s 7.50 in cash against presentation of coupons 45 and 46. They will tele one additional ordinary share of Dfs 100.— for every 40 coupons 1. 46 from the ordinary shares of 4 coupons No. 46 from certificates of 1D shares pretented at the following offices:

Baring Brothers & Co. Ltd., 88, Leadenhall Street, London ECSA 3DT.

Algemene Bank Nederland N.V., 61, Threadneedle Street, London ECSP 2HN, Algemene Bank Nederland N.V., 61, King Street, Manchester M2 4PO, Algemene Bank Nederland N.V., 35, Waterloop Street, Birmingham 82 5TL.

New share certificates may be distributed in the form of CF-certificates. Final Dividend for the year 1979

Birmingham \$2 STL.

New share certificates may be distributed in the form of CF-certificates as -certificates with coupons 47 and following and talon attached.

Stock options not exertised by 15th August, 1580, will be sold and proceeds held for distribution to holders of coupons No. 45 not presented payment by that date.

Shareholders opting for cash will be entitled to cash payments of 7.50 and Dris S.50 per share against coupons 45 and 46. respectively. U.K. residents who are liable to U.K. taxes on dividents said to them who do not carry on a trade or business in The Netherlands through a manent ostabilishment situated therein, may have Netherlands dividend tax steed from 25 oct. to 15 pct. if the coupons are accompanied by a comed form 92VK, which may be obtained at either of the above mentioned.

June 23-July 6

?fr: 6--8

Ma: ---

?; ... 7

W-· 7

`ir 3

∷ay 8--9

May 8—9

May 12-13

May 14-15

May 18-23

May 19-20

May 15

KLEINWORT BENSON (JAPAN) FUND

Société Anonyme Luxembourg, 37, rue Notre-Dame R.C. Luxembourg B 8,528

Dividend notice

Notice is hereby given that, pursuant to a resolution of the Annuel General Meeting of Shareholders held on April 9, 1980, a dividend of US\$ 0,25 has been declared payable as of May 6, 1980 to holders of shares outstanding on that date, against surrender of coupon nr. 9.

Paying Agents: Kredietbank S.A. Luxembourgeoise, 43, Boulevard Royal, Luxembourg.

Kleinwort Benson Limited, 20, Fenchurch Street, 20, Fenchurch Street, London EC3P 3DB.

By order of the Board The General Manager

I. REED INTERNATIONAL LIMITED Dfls. 100,000,000,-111% Bonds 1974 due 1980 1980

2. REED INTERNATIONAL LIMITED Dfls. 35,786,000,--111% Bonds 1976 due 1980/1989

Dfs. 35,786,000,—11½% Bonds 1976 due 1980/1989

The drawings for the first redemptions in the above-mentioned Bond loans have taken place on April 17th 1980.

Number 3 has been drawn in respect of the loan shown under 1 above, so that all bonds of which the number of the redemption group is 3, will be redeemable on June 15th 1980.

Number 13 has been drawn in respect of the loan shown under 2 above, so that all bonds of which the number of the redemption group is 13, will be redeemable on June 15th 1980.

The bonds so drawn will be payable at the offices of the paying agents mentioned hereafter:

Amsterdam-Rotterdem Bank N.V., Algemene Bank Nederland N.V., and Benque de Paris at der Pays Bas N.V. at Anasterdam Rotterdam, The Hogus and Meastricht insofar as they are established there.

As for as K-cartificates are concerned these must be presented with all unmatured coupons.

The outstanding shounts of the loan, after the above-mentioned redemptions are respectively ± i 90.000.000.- and ± i 32.207.000.
Amsterdam,

May 6th 1990

THE PHILIPPINE INVESTMENT COMPANY, S.A.
Societé Bronyme
Registered Office:
Luxembourg. 14. rue Aldringen
Registre de Commerce
Section B No. 8.198 DIVIDEND ANNOUNCEMENT OlVIDEND ANNOUNCEMENT.
The Philippine Investment Company,
S.A. will pay a 35 cents U.S. dividend per share on or after May
14th, 1990. to holders on record on
April 25th, 1990. Shares will be
treded ex-dividend after April 25th,

ov. The dividend is psychle to Iders of bearer shares against exentation of coupon number 4 at: Banque Génerale du Luxembourg, S.A. 27. avenue Monterey Luxambourg. Registered shareholders will receive their dividend by cheque from the company.

The Board of Directors

THE SCOTTISH **AGRICULTURAL SECURITIES** CORPORATION LIMITED

74% Debenture Stock 1990-92 Notice is hereby given that the REGISTERS of the CORPORATION'S above mentioned Debenture Stock will be CLOSED for TRANSFER and REGISTRATION from 19th to 30th May 1980, both days inclusive.

By Order of the Board.

H. J. McTurk

48 Palmerston Place. Edinburgh, EH12 5BR. May 2, 1980.

GRATTAN WAREHOUSES

NOTICE IS HEREBY GIVEN that the Register of Ordinary Stockholders will se closed from 13th to 16th May 1980, but dates inclusive, for the surpose of presaring Dividend Warrants payable on 15th July 1980.

By Order of the Board.

A. MALCOLM, Secretary. Anchor House. Ingleby Road. Pradiord R099 2XG.

GOVERNMENT OF NEW ZEALAND 7.25%, 1972-1987 LOAN OF
The redomption on 131 Jane 1980 for which a sum of F7 75.000,000 b
Diamned has been completely reported to the completely reported

TENDERS FOR GREATER LONDON BILLS GREATER LONDON BILLS

1. The Greater LONDON BILLS

1. The Greater LONDON COUNCIL hereby gives notice that Tendars will be received at the Chief Registra's Office. Stank Bulldings). Bank of England, London ECZR 1960, at 1960, at

NOTICE ANNUAL REPORT OF SAAB-SCANIA AKTIEBOLAG,

SWEDEN NOTICE IS HEREBY GIVEN that copies of the Annual Report of SAAB-SCANIA Akticoolog as at December 31, 1979 are now available at:—
CITIBANK, N.A. 336 Strand London WC2R 1HB SAAB-SCANIA AKTIEBOLAG

PERSONAL

NATIONAL CANCER CHARITY

Internationally acclaimed, seeks philanthropist to provide office accommodation central London either se a gift or at pepparcom rent, Approximately 8,000 square feet to house all departments. Reply in strict confidence to: Box G.5738, Financial Times, 10, Cannon Street, EC4P 4BY

In Parliament this

TODAY

COMMONS.-Guillotine motion on Social Security (No. 2) Bill. Port of London (Financial Assistance) Bill, remaining stages. Local Loans (Increase of Limit) Order. LORDS.—Social Security Bill, report. Industrial Training Levy (Engineering) Order. Census Order 1980.

TOMORROW COMMONS .- Debate on Government's Expenditure Plans 1980/81 to 1983/84. Southern Rhodesia (Sanctions) (Am-Order. Zimbabwe nesty) Independence and Membership of the Commonwealth) (Consequential Provisions)

Witnesses: land.

and the second of the second o

LORDS .- Debate on need to improve effectiveness of central and local government, to reduce overmanning in public service and have a truly representative Parliament. Trees (Replanting and Replacement) Bill, committee. Short debate on Phillimore Committee. ·

SELECT COMMITTEES.—Education, Subject: Funding of higher education. Witnesses: Standing Conference of Principals and Directors of colleges and a institutes in higher education. 10.30 a.m. Room 6. Scottish. Subject: Inward investment to Scot-

Economic Planning Dept., Scottish Development Agency. Department of Industry, 10.30 z.m. Room 5. Energy. Subject: The Government's new nuclear power programme. Witnesses: Babcock Power, 10.45 a.m. Room 8, Industry and Trade, Subject: Import

and Export Trade. Witnesses: British Paper and Board Industry Federation, Metal Trades Organisation, 10.45 a.m. Room 16. Public assessment of university LORDS.—Debate on Defence grants. Witnesses: Sir James White Paper. Accounts: Subject: method of Hamilton, permanent secretary of Department of Education, G. F. Cockerill, secretary the University Grant

Committee, M. V. Posner, chairman of Social Science Research Council. 5 p.m. Room 16 Welsh. Subject: Employment opportunities in Wales. Witnesses: Development Board for Rural Wales, 6.15 p.m. Room 15.

THURSDAY

COMMONS-Finance (No. 2) Bill, second resulting, Instruction to Standing Committee on the Local Government Planning and Land (No. 2) Bill.

FRIDAY

COMMONS.-Private members' motions.

BUSINESSMAN'S DIARY UK TRADE FAIRS AND EXHIBITIONS

Date May 6—14 Title International Philatelic Exhibition (01-385 1200) British Craft Trade Fair (0282 867153)
Confectionery, Tobacco and Newsagents' Exhibition
(0428 52785)
Wholesale Buyers' (Spring) Gifts Fair (01-855 9201)
International Heating Ventilating and Air Conditioning Exhibition (021 705 6707)
Self-Service Display Equipment and Shopfitting
Exhibition—SHOPEXINT (01-540 1101) May 9—10 May 11—13 Amateur Radio Exhibition (01-837 8688)
British Craft Trade Fair (0282 867153) May 11—14 May 19—23 May 18-22 Exhibition—SHOPEXINT (01-540 1101) Chelsea Flower Show (01-834 4333) May 20-23

International Materials Handling (021-705 6707)
Fine Art and Antiques Fair (01-385 1200)
Sunday Times Business to Business Exhibition
(01-407 4046) June 2-7 June 6-14 June 8-11 June 10-12 June Carp Fair (01-236 0911) June 10-13

Institute of Housing Annual Conference and Exhibition (01-242 3267)

OVERSEAS TRADE FAIRS AND Current Salon International du Textile et du Cuir

(01-584 8827) (until May 9) Compec Europe Exhibition (01-261 8000) May 7—11 Scandinavian Furniture Show (01-540 1101)
May 10—13 International Trade Fair for Optometry—OPTICA (01-409 0956), International Tyre Dealers, Vulcanizers and Re-treaders Trade Fair May 14-17 May 17—21 Industrial Equipment Exhibition.
May 19—21 Mint Directors Conference and Exhibition (01-186

May 20-23 International Petroleum Exhibition-PETROTECH Amsterdam May 26-30 International Rubber and Plastics Exhibition (021-765 6707) May 27-30 Petroleum and Marine Environment International Conference and Exhibition
Reprographics Exhibition—REPROGRAPHICS 80 June 5-9 International Carpet and Floor Coverings Exhibition (01-439 3964) June 9-14

BIAM—International Machine Tool Exhibition June 9-13 International Advertising Market-IAM (01 499 Paris 2317) June 10—14 Educational Equipment Exhibition—VISODATA Munich (01-486 1951) June 17-19 Advanced Communications Exhibition—EURO- Copenhagen COMM 80 (01-540 1101) June 19_99 Solar Energy Exhibition June 22-06

World Frozen Food Exhibition (01-829 8817) Motor Show, Components and Accessories Audio Visual ExhibitionAUVI (021-705 6707)
International Training and Educational Symposium and Exhibition-INSTRUCTA (01-486 1951)

BUSINESS AND MANAGEMENT CONFERENCES FT: City course (01-621 1356) (until June 26) Current FT Conference: World Electronics—Strategies for Success (01-821 1355) (until May 7) Compower: The Computer in Personnel Work

IPM: London Personnel Management Conference (01-387 2844) IPS Transportation and the Supply Function

Wyott Harris Graham: International Employee Benefits and Compensation in the 1980s Accountancy Study Centre: Inflation Accounting— The New Standard (01-222 2179) AMD Legal: Essential Management Law—Refresher (07535 56047)

Seminars International: International Conference on Managing Foreign Exchange Risk (01-434 3355) University of Bradford Management: Innovation and Market Success (Bradford 491773)

Kepner Tregoe: Decision Making For Senior King's Head Hotel, May 11-16

May 12-16 Management (0628 38083)
CEI: International Marketing Seminar
Crown Eagle Communications: Investing in U.S.
Real Estate (01-636 0617) CCC: Charges, Receiverships and Liquidation (01-222 6362) (01-222 6362)
Oyez—IBC: East-West Trade 1980 (01-242 2491)
University of Bradford Management: Export
Marketing (Bradford 42299)
Robert S. First: Hospital Supplies in Europe
International Advertising Association: 27th World
Congress (01-821 0509)
Oyez: IBC Control in Computerised Accounting
Systems (01-242 2481)
RAI Gebouw E.V.: Second European Petroleum
and Gas Conference May 19 May 20-21

May 20-23 and Gas Conference SMMT: EEC—Friend or Foe? (01-235 7000) May 20 SMMT: EEC—Friend or Foe? (01-235 7000)

May 21—23 Robert Daum and Associates: Understanding and Underwriting the U.S. Market

Wales International Management Centre: Effective Strategic Planning (0222 21666

May 27-30 Scotwork: Managing Negotiations (041 204 2186)

May 27-28 Reinforplast: 1980 Symposium

May 28 Calus: The Taxation Implications of Development

May 29-30 Catus: The Taxation implications of Development (0734 861101)

May 29-30 ICHCA: Developing Efficient Cargo Handling Systems for International and Intra-Regional Trade (01-828 3611)

University of Bradford: Production Scheduling Workshop (Bradford 491773) June 2-3 FT Conference: World Banking (01-821 1355) (01-821 1355) AMR International: U.S. Financial Reporting and Disclosure Requirements for Multinational Corporations (01-262 2732) June 2-3

Venue Alexandra Palace

Chelsea NEC, Birmingham Olyampia Earls Court

Kensington, WS Exhibition Centre, Harrogate

EXHIBITIONS

Casablanca Brussels Cologne

Utrecht Singapore

Monte Carlo Basle

Monte Carlo Singapore Johannesburg

Basinghall Street, EC2 Monte Carlo Royal Lancaster Hotel, W2

Royal Lancaster Hotel, W2 Bowater Conference Centre, The Rainbow Suite, W8

Royal Horseguards Hotel. SWI Copenhagen

Heaton Mount, Bradford Loughborough Geneva Carlton Tower, SW1

Hotel Inter-Continental, W1 Craglino's Hotel, SW1 Heaton Mount, Bradford

Brussels

Inn on the Park, WI Cafe Royal, W1

Doral Country Club, Florida Basingstoke Hampshire Brussels

Mount Royal Hotel W1

Heaton Mount, Bradford

Grosvenor House Hotel, W1

Financial Times Conferences

WORLD BANKING

Singapore—June 2 and 3, 1980

Since the announcement of this important annual conference Mr. Richard Eu, Vice-Chairman of the United Overseas Bank has agreed to speak on "Singapore as an International Financial Market " and Mr. Stuart Fowler, General Manager of the Bank of New South Wales will give an address on " An Australian View of the Pacific Region in the 1980's.

AEROSPACE INTO THE EIGHTIES AND BEYOND London-26, 27 and 28, 1980

Inflation and other economic difficulties; the intensifying international competition for world civil and military aerospace markets; the expansion of civil aviation and the accompanying demand for additional facilities on the ground will be some of the problems considered at this conference. Sponsored jointly with The Royal Aeronautical siciety a distinguished panel of speakers from the UK and world aerospace and assiciated individual give their views on how they see the future on the threshold lenges.

Conference Organisation Minster House, Arthur Street London EC4R 9AX Telex: 27347 FTCONF G Cables: FINCONF LONDON

. sq to:

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of con-sidering dividends and official indications are not always available whether dividends con-cerned are interims or finals. The sub-division shown below is based mainly on last year's time-

DIVIDEND & INTEREST PAYMENTS—
Betwick Timpo Siporf. 1 925pc
Elder Smith Goldsborough Mort Sets
Nell and Spencer 2 10
Scottish Eastern Inv Tel 17p
Tloatide La. Supc
Wereldhave NV DF166 25

COMPANY MEETINGS—American Fruit. 4. Molvillo Crescent. Scienburgh. 12.15
Federated Land and Building. Winchester House, 100. Old Broad Street, E.C., 12.00
Regardings of the Company of th 12.00 Proced Street, E.C., 12.00 Proced Street, E.C., 12.00 Procediment Investment Trust, 41. Bishops state, E.C., 11.50 Process Science Costan Gerra Gross Lairg, John Marshall's Universal Mothercare Shurfit Liferrami
Third Mills Inv., Incurious; Mode Eng., Wellico

Whicare
DIVIDEND & INTEREST PAYMENTS—
Armdale Property Tat. La. 3 Dc.
Associated British Foods Db. 3 mpc
British Vita 2.86

Associated British Foods Db. 37spc
British Vita 2.86
British Vita 2.86
British Vita 2.86
Branch Sand Lieble Ln Styce
Burden Group Ln 31spc
Burden Group Ln 31spc
Carbots Int. Db. 41spc. Ln. 41spc
Criect Int. Db. 41spc. Ln. 41spc
Criect Int. Db. 41spc. Ln. 41spc
Criect Int. Db. 51spc
Distillers Ln. 33spc
Elect Hidsa Db. 51spc
Elec

COMPANY MEETINGS—
DIVINIS (C. I.), Vincula House, Tower COMPANY MEETINGS—
Bowrins (C. T), Vintula House, Tower
Place, E.C. 12-15
Cartwright (R.I., Chamber of Commerce,
Birmingham, 12-00
Bourty and Law Life Assurance Society,
20, Lincoln's Ine Field, W.C., 12-15
Finilly Investment Trust, 20, Fenchurch
Smilly Investment Trust, 20, Fenchurch
Clibbs, and Dandy, Commerce House,
Stoart Streef, Luton, 11-50
Law Land, Howard Hotel, Temple Flace,
W.C. 12-50
Pittards, Manor Hotel, Yeavil, Somerser,
12-00 kli. Felcourt, East Grinstead, West 12.34, Great Eastern Street, E.C., 12.00 Vosper, Dorchester Hotel, Park Lane, W., 12.00

BCARD METINGS— Finals -Altifund Bileson Est Hall (Matthew) Malloson Denny Matines" Dring Marks and Spenter Milletts Levire Shops Peninsiplar and Oriental Steam Navigation Sairsbury 11.1 Sears Hidgs. Trust Union Interims: Interima: Central Mrg. and Trading Cooper (Frederick) Deventsh (J. A.) Folcoum Inv. Tst.

FSIGTUM INV. TSE,
Gomme Prov. Snop Centres
DIVIDEND & INTEREST PAYMENTS—
BIAM C.N. 35-pc
Bithe Circle Do. Singe
Bithe Circle Do. Singe
Bithe Circle Do. Singe
Burroughs Cpn. 65-cts
Cowie (T.) Ln. 5pc
EMI LnJ. 21, 3°: 3°: 4°-pc
EMI LnJ. 21, 3°: 3°: 4°-pc
Federated Lamd and Building 2.75p
Fodens Do. 44-pc
Gibbs and Dandy Ord. 2nd A 1.25p
Inch Kemeth Kalaon Rubber 2p
Rolls-Royte Motor 3.128B6-p
Solicitors Low Stationery Secrety 0.724c
Swedish Match A and B SKr6
Trace Indomnity 3.65p
Trace-Occanic Trast 2.5p
Warlog and Gillow 1.5p
Warlog and Gillow 1.5p
THURSDAY. MAY 8

THURSDAY, MAY 8
COMPANY MEETINGS—
Applevard Group, Rose-life Road, Leeds.
12,00 Artisys Bank, 54. Lomberd Street, E.C. Bodelingtone Breweies Derby Suite.
Bodelingtone Breweies Derby Suite.
Middand Hotel, Manchestor, 11,45
British Alomfolem, Manchestor, 11,45
British Petroleum, British Chome, Moor
Lane, E.C., 31,30
Corth, British Petroleum, British Chome, Moor
Lane, E.C., 31,30
Corth, British Chome, Moor
Lane, E.C., 31,50
Corth, British Chome, British Chome, Moor
Lane, E.C., 31,50
Corth, British Chome, British Chome, 12,00
Fite, 12,00
Fite, 12,00
Los Service, 17, Great Combertand Place,
Manches, Mander House, Wolverhamston,
Langer, Mander House, Wolverhamston,
Bettone, Assertance, 10,3

12.00
Refuse Assurance, 103, Oxford Street,
Manchester, 12.00
Manc Finals: Atlas Ejectric and Gen, Tst. Befeish Inv. Tst. Canadian and Foreign Inv. Tst. Cullens Stores

Bridish Inv. Tst.
Canadian and Foreign Inv. Tst.
Cullons Stores
Hawan
Hoverinoham
LK Inst. Invs.
Moss Bros.
Forter Chadbard
Sandhura Marketing
Seconde Marshall and Campion
Jackerinoh

Sandhursk Marketing
Secondo Marshall and Camplon
Satherioses
Patient Secondo Marshall and Camplon
Satherioses
Patient Secondo 12.00 figurering, 75. Marborne Read Edstaston, Birmingham, 12.00 figurering, 5. James, Northernacce, 12 og Eagle Star, 22, Arilington Street, S.W. 12.00

Eagle Star. 22, Arlington Street, S.W. 12:00
High Gostorth Park, Wich Gostorth Park,
Newcastle-upon-Tvnn, 12:00
Nor-Swith Ledbrighe Mercary Motor Inn,
Alasioy Top. Huddersheld, 12:00
Sharna Ware, Midland Hotel, Peter's
Street, Manchester, 12:30
Silkolene Lubricant, Silkolene Oli Robnery,
Octor Paad, Belpar, Dorbyshiro, 12:00
Tricostrol, Grost Eastern Hotel, E.C.
12:00 12.00 Winchester House, 100. Old
Broad Street, 11.00
Unicorn Industries, 13. Park Street
Windsor, Berkshire, 12.00
BOARD METINGS
Finalt
Burrell
Crowther 11
Garsar Scotplan
Nicetter Twenty-Eight Inv. Tst.
Usher-Walker
Weeks Associates
Interins

Victory Alsociates

Intering Alsociates

Intering Alsociates

Intering Alsociates

Intering Alsociates

Intering Alsociates

Browning Alsociates

Browning Alsociates

Browning Alsociates

Boddingthors Browns

Boddingthors Browns

Boddingthors Browns

Boddingthors Browns

Boddingthors

Browning

O.5745p.
O.5 DIVIDEND & INTEREST PAYMENTS....

1091111110

Tel: 01-621 1355

FINANCIAL TIMES SURVEY

Tuesday May 6 1980

Togo is hoping that its beleaguered economy will show the first signs of improvement this year, although recovery will depend on world prices for its main exports, phosphates, coffee and cocoa. The country is ruled by a one-party system, with power firmly in the hands of the President, who sees national unity and stability as his priorities. MARK WEBSTER reports.

Country's size belies its influence

state, General Gnassingbe corruption which has done so Evadema, looks down from a much damage to other African giant hoarding in the centre of countries.
the capital, Lome. The caption To do this, the President has underneath reads: "Agricul-concentrated most of the deciture; the biggest worry of our sion making process on his own Guide." The President is office, banned all political variously referred to in the parties other than the sole State controlled media as the recognised organisation the "Father," "Guide" and "Helms. Rassemblement du Peuple man" of the nation and his Togolais (RPT), carefully image appears everywhere on monitored the activities of huge posters and tiny lapel suspected dissidents and regularly shuffled ministers and regularity for give

of personality surrounding the President been so strong. At the same time, the liveral officials agree. Nor, according economic policies which he has to both his friends and his followed and the advantages of critics, has anyone had such a strong grip on the tiny West franc zone have ensured the African country since it gained development of a thriving its independence 20 years ago private sector. The combina-

Togo's size certainly makes it friendly people and well-stocked more manageable. One of the supermarkets have made Lome smallest countries in Africa, it a paradise for visitors from has a population of under 3m neighbouring countries who and a Gross Domestic Product come to stock up on food and of less than \$1bn. The way it is drink. squeezed into the African coast-line makes Togo and neighbouring Benin look like two slim books crushed between the

But Togo has an influence far specially flown in from France, greater than its size would The low level of taxation on suggest. President Eyadema is alcohol means that a bottle of extremely active on the African whisky or gin imported from industrialise which it began in stage, stressing the virtues of the UK costs about £2. It also 1973/74 when world prices for unity and stability which he has guarantees that a lot of it is its principle export, phosphates, established in his own country. smuggled across the borders to During his 13 years in power he countries like Ghana.
has contained ethnic rivairies. It certainly isn't obvious from has contained ethnic rivairies, spread the national cake more equally between the more supermarkets and leest stalls \$15n—not big by international developed south and his home that Togo is going through prostandards but four times Togo's area in the north and he has longed economic difficulties. But annual export receipts.

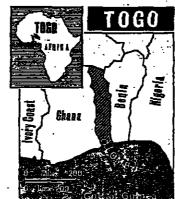
regional-administrators to give Never since he came to them less chance to become power 13 years ago has the cult corrupt or to form their own local flefdoms. At the same time, the liveral

being a member of the French private sector. The combina-tion of political stability,

Flown from France

Just about everything is available in the shops from a anglophone giants of Ghana and dozen different kinds of cham-Nigeria. pagne to cheese and meat

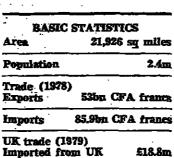
the abundance of goods in the



tough action has been needed by the government during the past 12 months to restore sound management to the economy and close the growing gaps in the budget and the balance of payments.

With the help of the International Monetary Fund, a further debt rescheduling, a stabilisation plan is now under- substantial foreign aid proway and the Togolese hope that gramme, assistance from inter-1980 will see the first fruits of the controls it is imposing. The Ministry of Finance estimates that the overall balance of payments should swing into surplus during the present year and that the budgetary deficit will be pegged at CFA1.5bn (£3.3m).

At the root of Togo's current problems was the rush to industrialise which it began in were high. To finance the massive public sector investment programme the country ran up total foreign debts of around



Debt servicing was becoming such a chronic problem that its international creditors were called in to reschedule arrears and some fresh debt. But although the rescheduling was successfully completed, economists feel Togo may need a

Experted to UK

They also believe that Togo will have to keep its belt tight at least until the debt servicing hump is passed in 1984. The recovery will depend considerably on world market prices for its principle exports - phos-phates, coffee and cocoa - and the performance of the public sector industries such as the oil refinery, the new coment plant

national institutions such as the

IMF, or a mixture of the three.

and the steel mill. and hope that Togo may emerge it started. There is less hope, however, that there will be any significant relaxation on the political front in the foreseeable

The President has made it clear that he sees unity and stability as the overriding priorities for nation building and points to the chaos of the early days in Togo's independence as evidence of the destruc-tive potential of the mutli-party system. He led the first coup in post independence Africa when in 1963 the first civilian president of Togo, Sylvanus Olympio Currency £=480 CFA francs was killed.

to a civilian Government led by Nicholas Grunitzky but as the supposed to be held every five situation in the country again began to deteriorate Grunitzky was forced to resign. On January 13, 1967 the Colonel Eyadema again took control of the country and has staved there ever since.

Reforms

Despite the President's determination to maintain stability in the country, two things have considerably improved the political atmosphere in Togo lately and have at least pushed the Government to make some constitutional reforms. The first is the return to democratic rule in the nearby African countries of Ghana, Nigeria and Upper Volta which has increased pressure on Togo's leader for

The second is the peaceful and the steel mill.

Nonetheless, they have been "mercenary affair" which encouraged by the steps which sprang from an unsuccessful the country has already taken attempt at a coup in 1977. The coup was alleged to have the from its present crisis stronger backing of the two sons of the and better managed than when first president Sylvanus Olympio

tainty and suspicion in Lome after it falled.

Fifteen people were tried for their part in the affair last year, eight of them in absentia and all but two were found guilty. Two of those in custody in Lome were sentenced to death but in a gesture rather characteristic of the President they were reprieved at the last

The completion of the trial has noticeably improved the political climate in the country and made it possible to hold a special National Congress of the He later handed power back party to discuss constitutional a civilian Government led by reforms. The Congress is years but was brought forward to consider what constitutional changes were necessary.

> What emerged from Congress was a constitution guaranteeing basic rights and a Parliament of 67 deputies who will sit for two months twice a year. The deputies were then elected on a regional list system at the same time as the President stood for re-election as the sole candidate for the Rassemblement du Peuple Togolais and was duly returned with a little under 100 per cent

Although the Parliament will vote laws it is unlikely that it will provide any vocal opposito the decisions already taken. Deputies are part-timers from the army and the police who received only a daily allowance for their parliamentary attendance and an essential qualification was fidelity to the

will, therefore, continue to be exercised by the President favour of more representative through the party network. The government



General Gnassingbe Eyadema, Togo's President

party was founded by the Presidentin 1969 and its influence is felt in every aspect of life. In the regions, the local administrators nominated by the President to the 22 electoral areas are also secretaries general of the party. In work and leisure, the four main party affiliated bodies cover trade unions. women and traditional

The real policymaking bodies at central government level are the Political Bureau and the Central Committee of the party. The nine-man Politburo includes the President and key figures 33-man committee includes all the Ministers plus party representatives. Diplomats feel that it is highly unlikely that the The real power in hte country hold, of the party over the still, therefore, continue to be country will be changed in years and he the Description

Economic austerity may pay off this year

Phosphates have crucial role in economy

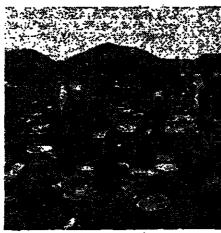
Government presses for higher coffee and cocoa output

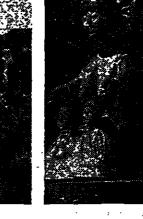
Campaign to make Toko selfsufficient in staple foods

Tourism may become a major foreign exchange earner

Industry produces mixed

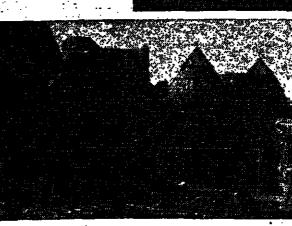


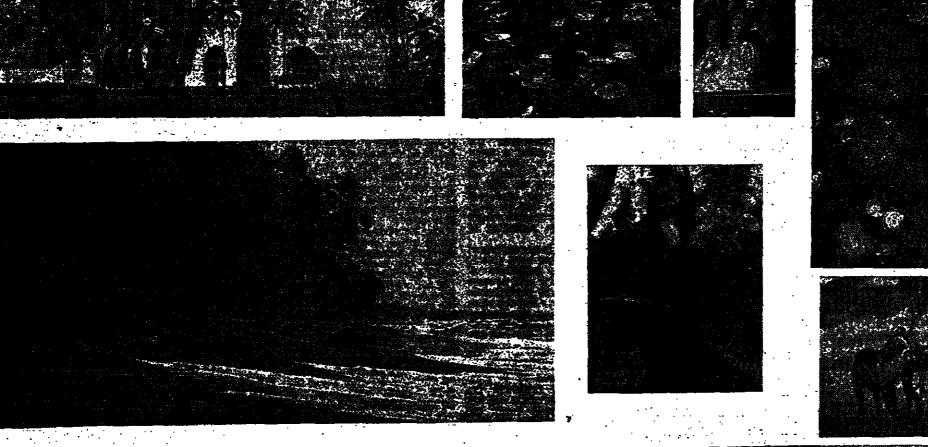


















wonderful place for a holiday

First class hotels and French-based cuisine, traditional folklore, beautiful beaches, game reserves

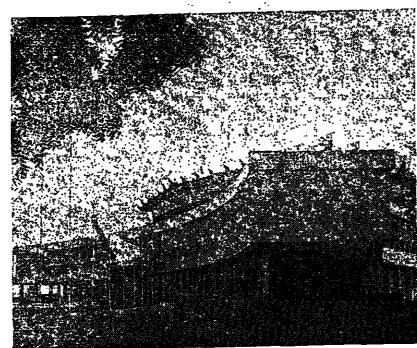
For further information please contact the nearest Togolese Embassy or write to: Haut Commissariat au Tourisme, Office Nationale Togolais du Tourisme,

B.P. 1289 or 1177 Tel; 43.13, 56.62, 40.26 LOME - TOGO









EXCELLENT INTERNATIONAL STANDARD CONFERENCE FACILITIES

Available for organisers of congresses, conferences, symposia, exhibitions, concerts, etc.

These facilities are available at:

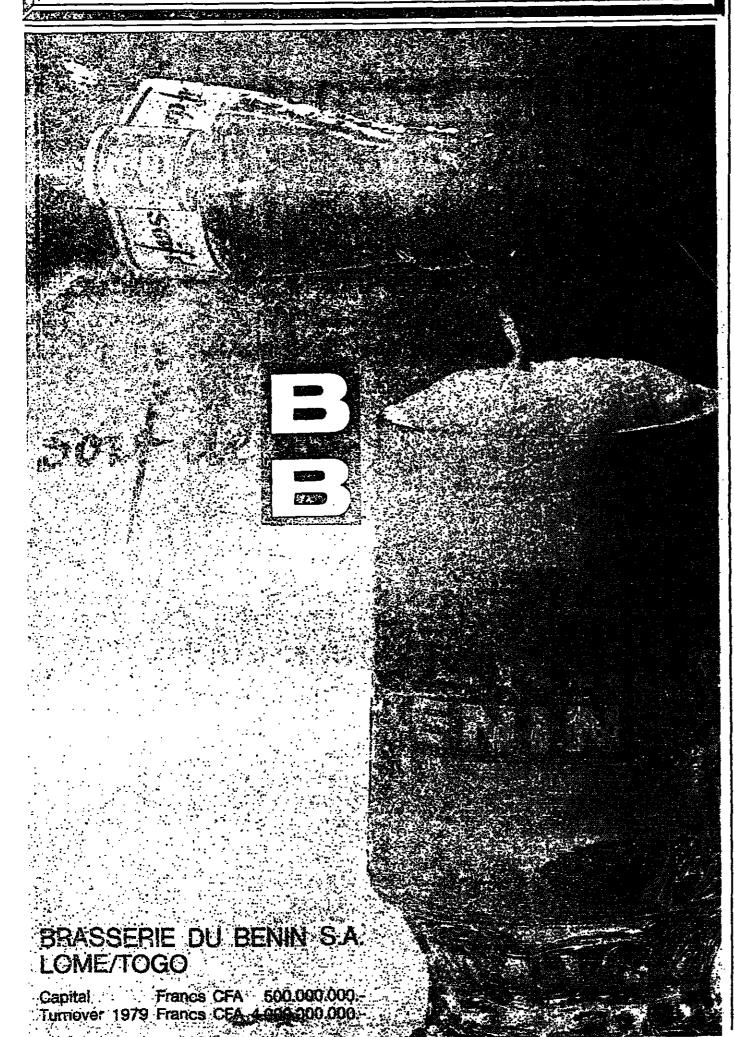
La Maison du Rassemblement du Peuple Togolais

Auditorium for 3,000 delegates, other rooms to seat from 150-800; full ultra-modern audio-visual aids, simultaneous translation facilities, fully air-conditioned throughout.

For further information please write to:

Le Directeur, Services de Gestion de la Maison du R.P.T., ⁹ ⁵ 2703. Tel: 2313. Telex: 5247.

LOME-TOGO



Tough economic measures may soon pay off

TOGO'S GOVERNMENT is taking tough measures to restore sound management to its beleagenred economy. Although the country still faces difficult years ahead, and administra-tion hopes that 1980 will see the first real fruits of the stringent controls it is gradually

imposing.
Under the tutelage of the
International Monetary Fund. the Government of President the Government of President Eyadema has agreed to reduce budgetary and balance of pay-ments deficits, restrict the growth of credit and money supply, put an end to increas-ingly large extra-budgetary expenditure and keep up repay-ments on foreign and domestic

At the heart of Togo's economic troubles is the \$1bn worth of foreign debt which it contracted in the mid-1970s to give the country an industrial e. The crushing burden of debt servicing which equalled nearly 30 per cent of export receipts in 1979 forced the country to seek a rescheduling while it put its economic house

Togo's international creditors agreed last year to reschedule CFA 8bn (£17.4m) in fresh debt falling due between April. 1979, and the end of 1980. At the same time, the Government reached an accord covering the repayment over three years of arrears of interest and principle totalling around \$100m.

The administration is optimis-

tic that this year it can reverse the trends of past years when growth was erratic, the budget and balance of payments deficits soared and economic management was lax. It is gearing up to face the full burden of debt servicing once the agreement with the Paris Club runs out and until the bulk is paid off in

Some Western economists feel, however, that Togo may be over-optimistic in its forecasts and will either require a second re-scheduling of its debt, substantial balance of payments support from such organisations as the IMF, a major aid programme by foreign governments or a mixture of the three. Nonetheless, they have been encouraged by the positive steps the country has already taken.

A key element in the stabili-sation plan agreed with the IMF will be the publication soon of "collective budget which worth of expenditure which has bypassed normal budgetary procedures during the past five years. The "collective" is seen as a crucial indicator of the creasing taxes and cutting ex- helped by being a member of country's determination to overcome its problems.

In past years, the volume of Government spending which had and the Government has agreed not been included in the annual not to borrow more than budget was growing, making it CFA6bn abroad during 1980 impossible to do any serious economic planning. Now that the "collective" has been completed it requires only the approval of the Minister of Finance and the President.

Optimistic

The conclusion of the new budget has encouraged the Government to paint a more optimistic picture about the future. A second Letter of intent signed with the IMF in February this year expressed Togo's conviction that the stage was set for a noticeable upturn in the economy, according to officials.

The Letter of Intent explained that Togo had not been able to keep within the guidelines set up by the IMF for 1979 because of a disappointing performance by the oil refinery and the phosphate mines. But the Government said its optimism for 1980 was based on the following proections for the year:

Output from the phosphate mines should increase from 2.8m tonnes in 78 and 79 to 3.5m tonnes in 1980 (although the new level of production will not now be achieved until the middle of the year): a further improvement in the world market price for phosphates which has already gone up 45 per cent over the past 12 months; increased agricultural production of cocoa and coffee as the benefits of a replanting and rehabilitation programme are felt: income frome some of the ambitious public sector industrial projects such as the oil refinery: and a big drop in the import bill as the industrial projects are completed.

If things turn out as the Government has planned, the increased activity should translate itself into a growth rate in real terms of around 8 per cent in 1980 compared with only 2 per cent last year. The Government also hopes the overall balance of payments will swing from a 1979 deficit of CFA2.3bn (£5m) to a healthy surplus of CFA 15bn (£32m). Officials say, however, that the slower than expected progress on the phosphate mines will affect the figures.

The budget deficit for the year has been pegged at CFA 1.5bm (£3.3m) for 1980 compared with a CFA7bn (£15m) deficit for last year. The 1980 deficit will be covered one third through borrowing from the IMF and the rest from the Central Bank. The relatively small deficit represents a major effort by the Government to the financing gap by in-



Phosphates account for 40 per cent of Togo's exports

Phosphates' crucial role

CRUCIAL element in Togo's economic future will be what happens to world market prices for its primary export and foreign exchange earner — phosphates. At present, things are looking much brighter for the industry which has been the beckbone of the country's economy, along with agricul-ture, for the past decade.

This year, a fifth treatment line and a secondary recovery plant to rescue phosphates previously lost to the sea are being installed. It means capacity should rise to around 3.5m tonnes in 1980 having hovered at 2.8m for 1978 and 1979 although full production won't be reached until May. World prices have also staged a recovery going up about per cent during the past

Although the combination of higher prices and increased production are bound to boost Government revenues from phosphates, the profit margins have been cut significantly by the fall in the value of the U.S. dollar and higher treign rates. All those elements

will decide how much more than the CFA 13.5bn which the Government has allowed as tax on the phosphate indus-try in its 1980 budget will

eventually materialise.

One reform which will certainly help the industry is the decision this year to merge the producer and marketing concerns into one single company OTP (Office Togolais des Phophates). Previously, the mining company was obliged to sell the phosphates at a fixed price to the marketing company and as a result of the low fixed price the mining company sometimes made a loss.

The history of the phosphate ludustry has been infimately linked with the history of Togo's development and especially with the history of President Evadema's time in power. It was soon after the President's announcement that his Government was going to take a majority shareholding in the Franco-American phosphate interests that mysterious plane crash.

blamed the phosphate com pany for trying to kill him and promptly nationalised the industry 100 per cent.

It was also the rapid rise in phosphate prices in 1974-75 which encouraged the Government to embark on its ambitious industrialisation plans. The price almost quintupled from CFA3,034 (£6.60) a tonne to CFA14,753 (£32) then fell by almost a half during the next year. forcing Government revenue well below expectations. Phosphates still account for

around 40 per cent of total exports and are central to future economic planning. That is why the Government has decided that the only major capital project which should be included in the next five-year development plan starting next year should be a phosphate fertiliser plant. The plant could use up to 1m tonnes of low-grade phosphate deposits a producing fertiliser mainly for the export market. Bank assistance.

penditure.

The budget shows a big cut in capital expenditure for the year and to borrow nothing which has a maturity of less than five years. It is the second year running the Government has published what it calls an austerity budget but it is the first which will impose really strict controls on the spending ministries, economists believe.

Total spending, including provision for debt servicing under the Paris Club accord, is up by only 3.79 per cent on last year to CFA57.2bn (£146m), Taxes have been increased by CFA5bn (£11m) reflecting a substantially increased contribution by the State-owned company OTP (Office Togolais des Phosphates) which mines and markets the country's prosphates.

The big increase in ministerial spending go to Education (25 per cent). Defence, Foreign Affairs and Information. Despite the rescheduling, debt servicing takes a large slice of Govern-ment expenditure. CFA15bn (£32.6m) is earmarked for repaying public debt and Govern-ment officials say that a further CFA5bn will be found to make up the total required under the Paris Club agreement of CFA20bn (£43.5m) for the year.

Riggest spender

Education remains by far the bigest spending ministry with a budget for 1980 of CFA 7bn (£15m). Only Defence comes anywhere near it with total spending of CFA 5bn (£11m) for the year. The cost of education reflects the country's impressive literacy campaign. But Government officials say it does not include a 10 per cent wage rise gi ven to all public sector employees in January this year.

The wage rise was the first in the public sector since January 1977 and real incomes had been seriously eroded by the rising cost of living. However a combination of the moderation shown in wage demands and a good harvest last year have helped to slow the rise in the cost of living index quite noticeably, econo mists ay, and it is estimated at 10 per cent or even lower for 1979. The harvest and the lower

inflation rate should also insulate the man in the street to some extent against the hardships which the austerity measures may bring. Unemployment is bound to increase once the major industrial proiects come to an end but on the whole Togo should not have to accept a significant drop in its standard of living through the Government cutbacks. country is certainly

the French franc zone. France guarantees the value of currency of countries in the zone against the French franc. The zone countries assure the free transfer of funds whatever the foreign exchange difficulties faced by individual members. In Togo's case it has meant that supermarkets are as full as ever and the tourist trade gets all the imports it needs to keep

going.
The Government's commitment to a liberal trade policy and open economy has certainly impressed the IMF. The Fund has pointed out that whatever the difficulties of the private sector, the country's thriving private enterprises have provided a much needed tonic for the overall state of the economy. Economists believe that Togo's combination of political stability, open market philosophy and stable currency will continue to make it attractive for foreign investment. But there are grave doubts about whether the heavy public sector investment in industry will ever

It was the Government's efforts to give the country an industrial base and wean it off dependence on the primary sec-tor which led to the heavy borrowing abroad and the current debt servicing problems. But the headlong rush tot industirialise when phosphate prices were high in 1973-74 has produced some very mixed results.

The oil refinery is beginning to pay for itself thanks to the price differential between the crude it buys from Nigeria and the value of the refined products it sells on the spot market. But the steel mill is unlikely to pay its way because of the increasing cost of fuel and the thermal power plant which should have provided energy for a number of industrial projects is also caught in the vice of escalating fuel costs.

Of the other projects, the giant cement clinker plant built in cooperation with Ghana and Ivory Coast stands a chance of paying for itself. The country's other big gamble, the tourist trade, looks more promising because the \$25m luxury Sarakawa Hotel has done better than expected since it opened last year. But prospects for the \$100m prestige February 2 Hotel are less certain.

Togo embarked on most of its public sector investment in better 1973-74 following a quadrupling started of the world price for its principle export commody, phosphates. The Government expected its revenues from phosphates to remain high and accordingto the Third National Development Plan for 1976 to 1980 it anticipated an average growth rate of 8 per cent a year by tripling the level of investment to CFA 250bn during the

the priority sector along with water supply and infrastruc-ture Although for the first two years of the plan the Government managed to keep to its target on investment, agricultural projects were delayed for studies to be made while industrial schemes went ahead. In addition, instead of financing two-thirds of the investment from domestic savings as planned, Government turned to the liquid foreign banking system for funds and borrowed beavily, often on

Agriculture was earmarked as

plan period.

commercial terms. Even after the rapid fall in phosphate prices (they had almost halved by 1976) the Government carried on horrowing to finance its projects. The result was the total foreign deb of more than \$1bn. With a debt bigger than its GDP and four times annual export receipts it was clear that Togo was heading for trouble.

Debt servicing

Debt servicing rose alarm ingly from 7 per cent of export receipts in 1975 to 16 per cent in 1977 and 26 per cent in 1978. Projections for 1979 were that debt servicing would reach 28 per cent and before the Paris Club agreement, the total for

1980 was 29 pes cent.
The IMF was first called in during 1977. It proposed a 12month package which ran from December 1977 to November 1978 and set targets for the budget, balance of payments, credit and money supply. During the 12 months, revenue rose 23 per cent while the growth in Government spending

was held to 12 per cent. The overall balance of payments deficit was halved from the previous year's total and the budget deficit was cut from the equivalent of 8 per cent of GDP to 5.6 per cent. But there was a significant surge in the Government's extra-budgetary expenditure and a failure to meet foreign debt obligations.

By the end of 1978 things had reached crisis point and it was then necessary to negotiate the Mark 2 agreement with the IMF and the Paris Club accord. But economists feel that the controls imposed on Togo to recover from its difficulties have given it a chance to emerge from the crisis stronger and better managed than when it

That optimistic assessment depends on two things, they say: the determination of President Eyadema's Government to contique its economic austerity policies at least until it is over the foreign debt hump in 1984, and the world market trends for the country's principle exports - phosphates. coffee and cocoa.

هكدامن الأجل

Ures Planting programme boosts coffee and cocoa output

prices; Togo's two principle cash crops, coffee and cocoa, have taken on an even greater importance as foreign exchange account for about 30 per cent of export receipts and are a major source of Government

the production of coffee and coming from neighbouring Chana tended to inflate the

great play of helping agricul-ture; much of the investment industrial projects such as the steel mill and petrol refinery.

market value of the crop and the farmer's real income was eroded by a gradually increasing inflation rate. Without the incentive to look after his fields, the cocoa and coffee industries were affected by ageing trees and a lack of the necessary inputs.

To overcome the problems, Togolese Government the help of the French Governto encourage the peasant farmer ment plants.

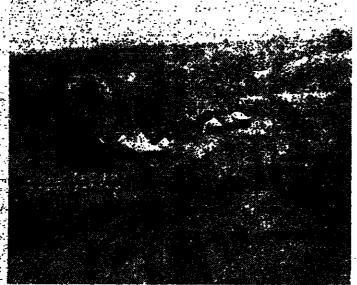
to replant by subsidising him Nonetheless, the Government during the long period of is hopeful that the second phase maturing for coffee and cocoa— of the project covering the long period of the long period maturing for coffee and cocoa— of the project covering 4,000 five years for coffee and seven hectares will be more successful, years for cocoa.

Fust plan 🔄

The first major replanting and rehabilitation plan went into action in 1975 and covers the five-year period to the end of 1980. The programme got the backing of the World Bank and the French Government and aimed to cover 4,000 hectares of coffee and 4,400 hectares of

in the lush areas near the border with Ghana, particularly in the plains of Kloto and Litime. In a total of cultivation and 50,000 hectares of coffee. When the project started, about 40 per cent of the cocoa plants were more than 30 years old and most of the coffee plants were well past

being renovated which was 40 per cent above the target. As year reacher 6,000 tonnes which



A farm near Lama Kara

tonnes by 1995.

been made with the cocoa pro-

ject, production once again declined last year to 12,500

tonnes from a high of 18,700 tonnes in 1969. The poor showing in 1979 has made it less

likely that Togo can match up

to projections which envisage production of 17,100 tonnes in

spectacular comeback in terms

of production during the past

three years, leaping from only 6,000 tonnes to 22,000 tonnes.

The main reason for the in-

crease is thought to be favour-

able weather conditions but

ment is embarking on a major expansion of its milling facili-

Development pointed out that

Mixed future

rehabilitate a further 7,500

so successful, achieving under half its planned total. The reasons for the outcome were essentially the problems of land founded the National Society for tenure, the lack of money the Renovation and Development offered to the farmer as an of the Coffee and Cocoa incentive to replace his plants, Industries (SRCC) in 1971. With and the effects of the 1976/77 drought which hit the proment, a programme was started gramme for producing replace-

Nonetheless, the Government especially as both the coffee and cocoa programmes will have the additional element of encouraging food crop production at the same time.

As part of the programme for encouraging production, the Government has also raised producer prices for the 1978 season to CFA 180 per kilo for coffee (CFA 145 for 1977) and for cocoa to CFA 200 per kilo (CFA 150 for 1977) after a number of years in which the farmers income had been shrinking in real terms.

The combination of the ingradual replanting showed its first positive results in the 1979 season for coffee, but cocoa continued its decline. The increased yield from coffee was also due to favourable weather conditions.

The Government is optimistic The coffee replanting has that coffee will continue its proved a spectacular success increase. It had slowly declined with more than 5,600 hectares since 1974 when production being renovated which was 40 stood at 11,000 tonnes, but last a result, the second renovation was a 25 per cent increase on

only process around 12,000 tonnes of cotton because they

being constructed at Lama-Kara which will be able to process 20,000 tonnes will be insufficient projects include the building of a mill at Notse in 1981 and the Atakpame into a single unit capable of processing 20,000 tonnes. If the programmes go ahead on schedule, it should be possible to process a maximum of 60,000 tonnes by 1985 by when production is expected to

the cash crop sector, however, programme which will run from the previous year. If all goes quite considerably. A special 1980 to 1985 aims to replant and well with the second replanting Government organisation, So project the projections are that naph, has production will reach 12,700 encourage plantation production tonnes by 1985 and 14,600 as well as peasant output.

of the RPT, the Ministry of Rural Development said there was an "urgent need to take urgent measures," to stop the annual decline in palm oil procrease by describing ageing trees and the tendency of the peasantry to cut the palms down in favour of more lucra-

The future is also mixed for peasantry to look after the another major export crop— palms but did not mention any cotton. Cotton has made a specific programme designed to encourage the production of oil. Despite the decline, milling capacity has been increased according to the Ministry, with the expansion and renovation of the Alokoegbe mill and the construction of a mill at Agou.

there has also been a better realisation on the part of the peasant farmer that the crop is The Ministry of Rural Development has approunced plans to develop thousands of hectares progress has been slow and the The problem is that the mills 1970 figure of 5.700 hectares of are totally unable to cope with oil palm under cultivation has

bumper crop could be wasted because of insufficient storage In general, the Government facilities and milling equip-ment. As a result, the Governhas made it plain that it does not want to repeat the same mistakes in agriculture during the period of the Fourth National Development Plan from 1981 to 1985. The new plan will put the accent on At the March meeting of the National Council of the Rassemsmall-scale irrigation projects. blement du Peuple Togolais (RPT) the Ministry of Rural according to the Ministry, while pressing for self-sufficiency in foodstuffs.

INVESTMENT CODE 1ST FEBRUARY 1978

Togo is actively looking for foreign participation in its economy and this investment code offers:

- Liberal investment policy and repatriation of profits
- Indicates all sectors of the economy in which investment is welcomed
- Gives generous special incentives and tax holidays
- Equality before the law with Togolese companies
- Waiving of Customs duties, local VAT and export taxes

Togo can supply you with:

- A liberal investment climat e
- Stable currency and membership of the "zone franc"
- A young, hardworking and easily-trained workforce
- Ready access to the 130 million market of the ECOWAS states
- Good communications and local infrastructure
- Pleasant climate and attractive environment

For further details please contact: the nearest embassy of the Republic of Togo:

UNITED KINGDOM

20 Wellington Court, Knightsbridge, London SW1.

Tel: 01-584 0556

BELGIUM

Tel: 701791

264 Ave de Tervuren, Brussels 1150.

FRANCE

53 Bonn.

Tel: 366077

8 rue Alfred Roll. Paris 75008. Tel: 380-1213

WEST GERMANY

8-3 Bad Godesberg,

Beethovenstrasse - 13

USA

2208 Massachusetts Avenue. Washington DC 2008. Tel: (202)234-4212

Goal is food self-sufficiency

Government's powerful propaganda machine been more in evidence than in the peasant agricultural sector. Since 1975 was made the Year of the Peasant there have been successive Government campaigns to encourage peasant food production and make the country self-sufficient in staples.

In 1977, during a national seminar on agricultural production, President Eyadema announced that self sufficiency in basic food-stuffs should be achieved within five years. It looks very unlikely that such a goal can be achieved because of variable weather conditions, but the next five-year development plan which runs from 1981 will stress the importance of achieving self-sufficiency during the plan period.

More than 80 per cent of the

population still depends on agriculture for a living and much of the farming is on a subsistence level. The unpre-dictability of the weather makes it a hazardous pursuit and the lowel evel of commercialisation in the peasant sector means low standards of living.

Those low standards have in turn produced the familiar pattern of young people drifting into the urban areas creating a social problem in the cities and leaving the land starved of young labour. The Government has started a "back to the land" compaign to encourage civil servants to cultivate some land themselves, but the efforts have had marginal impact.

The peasant agricultural sector also has to face the problems of securing the correct inputs and obtaining scarce credit. The Government has tried to tackle the problem through the National Agricultural Credit Bank which has a high level of bad debt on its

lending.
Despite the difficulties, Government figures show a sub-stantial surplus of root crops for the past two years, some of which have been exported. Cassava and yams both reached production levels of around 300,000 tennes for the past two years and their abundance has forced prices down in the rural areas, making a big difference



Leaf-thatched houses at Badou

to the cost-of-living index.
On the other hand, Togo cannot meet domestic demand for such cereals as maize and rice. The 1979 figures estimate a shortfall in maize production of nearly 8,000 tonnes despite the fact that production rose to an estimated 121,000 tonnes. Growing demand for rice meant a shortfall of over 6,000 tonnes on a small domestic production of 11,000 tonnes.

Intervention ·

The problems of food production in the peasant sector were discussed at the March National Council of Rassemblement_du Peuple Togolais (RPT). The Ministry of Rural Development said the peasant farmer had reached maximum production under present conditions and that it was necessary for the Government to intervene to increase output.

The Ministry proposed the following remedies for the problems: increasing the area under cultivation; introducing mechanisation; guaranteeing a water supply; reducing waste an deoutrollin gorices. Some of

these proposals are likely to be 9,000 tonnes. included in the next National Development Plan.

On increasing the area under cultivation, the Ministry pointed out that only 11 per cent of Togo's surface area is presently being cultivated and that com-bined with small-scale mechanisation to enhance the farmer's wor koutput, much more could be cultivated.

The difficulty the Government faces in implementing a policy of increased cultivattion is the complex land tenure system. An attempt at breaking the iron grip of the old system was made in 1974 with the publication of a decree which brought all unused land into public hands. But the decree has not made a significant impact on the land

The Government also promised to help the farmer by making the necessary inputs more readily available and increasing the low yield which he is at present getting. But although fertiliser is heavily subsidised and Togo is planning to build its own fertiliser plant,

Guaranteeing water supply will be part of the next develop-ment plan when small scale irrigation projects covering 1 to 10 hectares will be a major plank of future development. Erratic rainfall over the past years has played havoc with the country's food output.

Reducing wastage is considered vital because at present an estimated 30 per cent of peasant production goes rotten before it can be commercialised. The national marketing organisation for cereal crops— Togograin—blames the village farmer, saying that insufficient storage is available at that level. The Government is therefore committed to improving village storage facilities.

The Government is also anxious to encourage livestock production which has been almost non-existent in Togo. Cattle have come down from the north, predominantly Upper uncertain weather conditions in that area have made it imperative for Togo to develop its own

BANKING IN TOGO

BALTEX

Route d'Aného B.P. 4874 - LOME Tel. 28 29-30 Telex BALTEX LOME 53 01

BCG

Rue du Commerce B.P. 1 321 - LOME Tel. 55 71-72 Telax COMMERBANK LOME 52 27

BIAO

Rue du Commerce B.P. 346 - LOME Tel. 20 81-83 32 86 Telex BANCAFRIC LOME 52 18

BTCI

Rue du Commerce B.P. 363 - LOME Tel. 46 41-43-77 40 75 03 Telex BANTOCOMI LOME 52 21

BTD

Angle Rue Branly Avenue de Calais **B.P. 65 - LOME**

Tel. 38 28 36 41-42 Telex DEVTOGOBANK LOME 51 82

CNCA

Angle Avenue Sarakawa et Duisburg B.P. 1 386 - LOME Tel. 45 61 25 63 Telex CREAGRI LOME 52 68

UTB Place Van Vollenhoven B.P. 359 - LOME

Tel. 26 31-32 50 02-06 \$9 64-66 Telex TOGOBANK LOME 52 15 52 70

SNI

11, Avenue du 24 janvier B.P. 2 682 - LOME Tel. 62 21 62 25 Telex SONINVEST LOME 52 65

STOCA

3, Rue du Mono B.P. 899 - LOME

Tel. 37 59 59 83

TAW LEASING

Tokoin Solidarité B.P. 2804 - LOME Tel. 69 83

Tourism is Government's big gamble

town of Kpalime, a mock-difficult to quantify.

medieval chateau stands incongruously aloof in its setting of tropical vegetation. If it were sun and the dense bush it would to imagine the house back in France which clearly inspired the architecture. But work is in progress to turn the chateau, built by a French lawyer in the 40s, into a modern

It is one of the most imaginative projects in Togo's drive to make tourism a major industry and other and foreign exchange earner, to tourism At Chateaur Viale an extra But wh floor is being added to allow for more bedrooms and a restaurant while in the grounds a number of bungalows and a swimming

pool are being built. The Togolese Government admits that tourism is its big to what the adds are that it will pay off. Hotel building has gone on at a frenetic pace over the past five years so that the number of hotel bedrooms has least from just over 1,000 in 1976 to more than 2,000 in 1979 and to 3 000 this year.

The Government sees tourism as an essential foreign exchange ermer, a useful means of increasing employment and a way of spreading the benefits of prosperity throughout the country by encouraging visitors to leave Lome and travel around. But although the number of visitors is climbing at a respectable rate, there is still a long way to go before Togo reaches capacity as far as its hotel accommodation is concerned.

Disting

The figures for tourists has climbed steadily, according to the Directorate for Tourism and Hotellery from 60,000 in 1976 to an estimated 76,000 in 1978. The Directorate says the country hopes to welcome 100,000 tourists during 1980 although most other Government sources consider this an optimistic

A' the same time, income from hotels has risen fast, according to the Directorate, from just orer CFA 1bn (£2m) in 1976 figure rose to CFA 2.3bn (.7m) and forecasts for 1980 anything from £5.5m to

IN THE lush hills above the ing curlos, or car rental is

The hotel industry employs around 3,000 people at present though the Directorate of not for the blistering African Tourism believes that more staff to each bedroom, although in the older botels it is nearer 2 per bedroom. Again there is marginal generated by selling curious and other employment related

> But while the immediate returns are as good as the Government could have hoped, sometimes better, a great deal of public sector money has been invested in the industry, especially in building hotels. The Sarakawa is the country's beds. Built at a cost of \$25m it occupies an impressive position right on the beach and as well as the main hotel there are eight groups of duplex units within a stone's throw of the

The most ambitious project Togo has undertaken \$100m February 2 Hotel—opens later this year. It must be the most luxurious hotel in West Africa with its 52 presidential suites comprising two bed-rooms, a living room, two bathrooms and an office, 52 ministerial suites with a bedroom, living room and bathroom and 212 ordinary bedrooms with

The 30-storey building dominates the Lome skyline and is designed to serve several purposes. As well as being a luxury hotel, it will house visiting dignitaries for international meetings and will serve as a conference centre. To serve all its purposes, the hotel has a 450-seat conference room, a 200-seat theatre, several resteraunts, a swimming pool and will eventually have a casino.

Togolese Government hopes that the company will be able to generate new traffic for the hotel instead of just taking it away from the other luxury hotels in the town. Nonetheless, the most optimistic forecasts from the giving the figures. Directorate of Tourism for the considerable extra income first year of operation are

dential suites.

that it will be able to fill all its hotels once the tourist and business trade is more aware prople could be taken on at the of Togo's potential. They cite newly opened Sarakawa Hotel as an example the much better cad the February 2 Hotel than expected performance of which will be open later this starkawa Hotel since it staff to each bedress 1.5 opened last September. The best the Government was hoping for was an occupancy rate of 45 to 50 per cent whereas it in employment fact reached 60 per cent without ling curious seriously affecting the other five-

star Hotel de la Paix. The Government's conviction that there is still plenty of room for expansion in the tourist trade is based on the fact that there is still very little charter trade coming to Togo and there is also a lot of potential in the interAfrican tourism, especially from neighbouring countries in

Half from Europe

Until now, Europe has provided around half the tourists coming to Togo. The majority nuntries with historical ties in Togo-France and Germany. But the only regular charter flights coming in are organised by a Swiss company from Zurich Tourism admits that increased and have a connection with the tourism also brings disadvanlarge Tropicana Hotel outside

said that approaches to Air seriously disrupted by the Afrique (which is jointly owned arrival of the tourists and there by a number of African countries) to persuade it to start charter flights to Togo had not proved successful. But there was a deal being investigated to bring Dutch tourists in with their national airline KLM.

In the meantime, Togo is concentrating on the African financial climate improves. It tourist trade. Over the Easter had been intended to build an weekend, Togo's hotels were fully booked thanks to a massive influx from countries such as Nigeria. The average stay in at Niamtougou and another Togo is still only three days, hotel near the border with meaning that a lot of people The hotel group Sogetel will either stop off on their way to, manage the complex and the or on their way back from somewhere else to profit from Togo's hotels and good food.

> It is certainly true that the has only a tiny seaboard, the destroy the attractions country snakes a long way came o enjoy."

cent, not including the presi-inland giving the visitor a wide The Government is convinced tropical areas near the coast to the more arid regions in the Upper Volta.

> To try to spread the material benefits which tourism can bring, the Government has embarked on a big drive to improve hotel conditions in the interior. Nearly every major town has a hotel or motel of good standing and roads are, on the whole, good.

> Travelling inland has a lot to recommend it. In the south west Plateaux region are the hills and waterfalls near the border with Ghana; in the central region are the virgin forests of Fazao and Malfakassa; while in the north there is a certain amountof game. Throughout the country there is a wide ethnic

> But perhaps the country's biggest asset is its people. Although generalisations can never be more than a rough indicator, the Togolose are genuinely courteous and hos-pitable and the increased influx of tourists does not appear to have done anything to change their sunny outlook.

However, the Directorate of tourism also brings disadvantages, especially to a small country. At least one ethnic The Directorate of Tourism group in the north has been is evidence of a growing under employed sector living off the crumbs of tourism.

One government official said he believed it was a blessing in disguise that economic difficul-ties had forced a number of plans to be put on ice until the 800-bed tourist village near the town of Aneho, a 200-bed hotel near the international airstrip Upper Volta.

The Government feels that a maximum number of 300.000 tourists a year could be accommodated, especially if it carries out plans to build a series of country has a number of small motels throughout the natural advantages which country. But as one Govern-favour the development of a ment minister said: "We don't tourist industry. Although it want so many tourists that they



The market at Tabligbo and (below) finishing and decorating pots at Agome Glozo



With the completion of construction of Togo's first oil refinery, Press International's association with the country

Two years later we are still involved with assisting and supervising in the maintenance of the refinery and utilising the skills of many of the Togolese who were employed and trained during the original construction of the project.

Another outstanding example of the ability of Press International to contribute

to the economy of a developing country.

William Press (International) Limited

17 Valley Street North,
Darlington,
County Durham DL1 1QA.
Telephone: (0325) 60611. Telex: 58546.

> 1978. The refinery had opened in January 1978 and closed in August 1978 having run at one third of its Im tonne capacity and at a huge loss to the

Mixed results from industry

few months. At last year's National Council meeting of the country's sole political party, the RPT, several speakers complained that State industries were simply draining away public finance. Those complaints were repeated at a seminar in December organised by the Chamber of Commerce and

Most economists agree that the fruits of Togo's headlong drive for industrialisation after the 1974 boom, when phosphate prices quadrupled, has pro-duced some very mixed results. What is more, they point out that Togo's present financial difficulties stem largely from the heavy debt burden which the country contracted to build an industrial base.

The Togolese authorities counter criticism by saying that at least one of the projects which had been written off in some quarters as a white elephant—the oil refinery—has since started making money. They are confident that in the long run the industrial sector will contribute more and more to the development of the economy and wean the country away from an overdependence on the primary sector.

Despite the substantial invest-ments which have been made over the past five years, the industrial sector remains small. In all there are about 40 medium sized enterprises in the public and private sector though they cover a wide range of import substitution and exportable goods.

In 1978 the Government revised the investment code to encourage small and medium sized businesses with a variety of tax and customs benefits. Although most of the recent expansion has been in heavy industry, the country does have a thriving private sector which has been able to take advantage of the excellent investment climate and the liberal approach to the economy adopted by the

The biggest surprise in the public sector has been the rapid turnround in fortunes of the \$80m oil refinery built with ECGD backing and opened in

It then reopened in April 1979 under British instead of French management and has managed to clear existing debts of around \$42m including \$20m owed to the Nigerian Govern-

the price of crude and the value of refined products on the Rotterdam spot market where Togo's production is sold.

At the moment all is going well for the refinery thanks to a supply contract agreed with Nigeria during a recent visit of President Eyadema to Lagos and the chaos on the spot market following the United States threat of further economic sanctions against Iran. But part of the success of the

refinery is that it is no longer obliged to sell oil to other unprofitable State organisations which were notoriously bad payers. The refinery exports about 80 per cent of its total production and will soon add an LPG bottling plant to its present facilities. which will also be largely for export.

Respectable

The country's cement plant (Cimtogo) is also running at a respectable level. Having increased its production to more than 300,000 tonnes a year in 1978 it is going to double its output to around 700,000 tonnes in order to supply the rapidly growing domestic demand for cement and the export potential. The Government is also opti-

mistic about the future of the three nation Cimao project (West African Cerent Company). The plant, which is due to come on stream this year, has been built to supply Ivory Coast, Chana and Togo and will

TOGO'S PUBLIC sector indusment for supplies of crude. The have an initial capacity of 1.2m wharf in Lome and has been try has come in for consider-success of the enterprise tonnes a year.

The financing for the \$221m from Mali. Government in offsield say it have functions.

plant and \$71m investment in infrastructural improvements has been provided by a group of North American, Arab and European development banks. Togo will benefit in a number of ways from the plant through increased export sarnings and infrastructure which includes an 80 km rail link between the plant and the port of Lome.

It has been sited 80 km northeast of Lome where there are deposits of lime estimated at 155m tons. Togo also has the necessary deposits of sand and clay in large quantities. The only hitch may be in providing fuel now that the thermal plant which was being built is clearly not vishle

The thermal power pint is one of the projects which is bound to prove a money loser for the Government. Ironically, the high cost of refined oil which has made the refinery a success has spelled doom for the power plant which designed to run on fuel to produce 50 megawatts of urgently needed electricity but would only be able to do it at six times the cost of power now.

coming from Chana.

The high cost of power in turn makes it even more unlikely that the 237m steel mill which opened last year will ever be able of run successfully. The was to produce 20,000 tonnes of steel rod annually for use in reinforced concrete. It began life refining the old

officials say it now functions only periodically.

Several industrial projects have been started in the north of the country to spread the benefits of Government investment. The Togo Textile Industry (ITT) has been running since 1966 and a second factory has just been completed by a Spanish company to make fabrics, mostly for the export mar-

A tentative effort has also been made in the food processing industry with the construction of a sugar factory near Sokode, a new palm oil mill at Agou and a powdered milk plant built with a Danish loan to pro-duce 3.500 tonnes of powdered milk a year. In addition, a West German company has built a glass factory in the industrial

The continuing expansion of the industrial sector has put an increasing strain on the country's power supplies and the realisation that the thermal power plant will not be viable has made an alternative realisation. has made an alternative source even more urgent. The biggest alternative project is the dam

proposed for the Mono River.

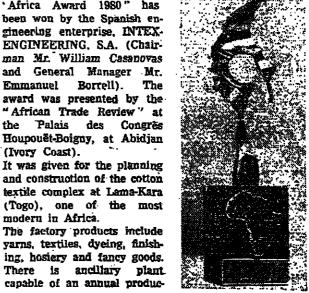
A contract for the hdyroelectric project was signed in
December, 1978, with Electrowatt of Switzerland and Sogreah of France and a feastbility study has been completed In the meantime. Tozo must depend on supplies of electricity

INTERNATIONAL GUERDON "AFRICA AWARD 1980" INTEX-ENGINEERING, S.A.—SPAIN

The International Guerdon 'Africa Award 1980" has been won by the Spanish engineering enterprise, INTEX-ENGINEERING, S.A. (Chairman Mr. William Casanovas and General Manager Mr. Emmanuel Borrell). The award was presented by the "African Trade Review" at the Palais des Congrès

(Ivory Coast). It was given for the planning and construction of the cotton textile complex at Lama-Kara (Togo), one of the most modern in Africa.

The factory products include yarns, textiles, dyeing, finishing, hosiery and fancy goods. There is ancillary plant capable of an annual produc-



INTEX-ENGINEERING, which has more than 150 years of textile experience, is now operating in over 25 countries, including complete processing plants in Morocco. Mexico, Venezuela, Panama Canada, and there are plans

tion approaching 3,000 metric

Philippines, Upper Volta, Madagascar and the USSR. INTEX-ENGINEERING

for plants in Algeria, Costa

Rica. Ecuador, Chile, The

Crira. Prats, s/o. P.O. Box 453 SABADELL (Spain) Telex: 52842 tacca 52859 intex

j	Financial Times Companies and Markets	Tuesday May 6 198	0		W(ORI	L D S T	00	CK MAR	RKETS	
1	NEW YORK	Stock May May 1	Stock 2	May 1	Stock May	May	Stock 2	y May 1 7 10534	Dow	rollio	=
(### Stock 2 1 0 0 0 0 0 0 0 0 0	Columbia Gas 3834 3854 20 Jumbia Piet. 3114 30 72 30 72 30 72 30 72 4 17 79 20 70 70 70 70 70 70 70 70 70 70 70 70 70	Gt. Ati. Pac. Tee Gt. Basins Pet Gt. Nthn.Mekoosa Gt. West Financ'i Grayhound	1634 MG 5048 Me 1712 Mil 1614 Mic 2348 Me 1418 Mo 2316 Mo 2469 Mo	57 M 2016 M 2016 M 2016 M 2016 M 216 M 217 M 2016 M 217 M 21	21 SC 61½ SC 26¼ SC 52¼ SC 62¼ SC 72½ Se 718 Se 718 Sc 24 Se	hitz Brew J. 7 hiumbergar. 1056 M. 24 wott-Paper 14 uidder Duc V 10 a Contre 15 abrd Coast L 52 agram 51 agram 15 arie (G D) 20 dris Roebuck 16 atrain Lns 5	15 15 1018 8 1018 9 1414 9 5416 2 5416 4 1518 4 21	AFTER AN EASIER to in the session, Wall showed a mixed through most of the mothe effects of the declinicate continued to be	ne early \$351. Earlied Street tan of Lond tendency buy Liggett raing, as a South Care ng prime recommende	r, of d
1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	Almanson IH-I 1844 1814 1844 1844 1844 1844 1844 184	20m.Gen Inst. 3214 38 20mceo 455; 4714 20mrae 1714 1778 20ms Foods 253 2214 20ms Freight 1958 1954 20ms Nat Gus 3914 3914 20ms Wat Gus 3914 3914 20ms Inst. 1958 1954 3914 20ms Inst. 1958 1954 3914 20ms Inst. 1958 1954 3914 20ms Inst. 1958 1954 3914 20ms Inst. 1958 1958 3914	Handleman 30 Harna Mining 30 Harocurt Brace 261g Harnischfeger 1211 Harris Bencp 241g Harris Corp 313g Harso 503g Heitz Mining 271g Heitz (HJ) 391g Heitz (HJ) 185g	307a Mo 271s Mo 12 Mu 243a Mu 3114 Mu 307s Nal 365s Nal 1858 Nal 175a Nal	rgan (JP)	4636 Se 4614 Se 14 Sh 1246 Sh 8934 Sh 2214 Sk 3114 Sk 1214 Sh 1254 Sh	20 20 20 20 20 20 20 20	25% 4 7414 2 6658 3212 2958 9 51 2 3112	concern about the dept recession. The Dow Jones I Average, after a decline at 11 am, rallied to 8 1 pm, 1.02 down on the collegel. The NYSE All Index was 6 cents up a	h of the bid to proce wait. ndustrial THE AMER e of 3.58 Value Index 809.90 at on volume overnight 1 pm (1.87m Common at \$60.11, Canada.	0000
The second secon	Allona	Conti Group	Hershey: 214 Heutoleth 291 Hewest Pici 57 Hilton Hotels 281s Hitachi 421s Hobart Corp 157s Holiday Inns 151s Holiday Inns 38 Hornestake 461s Hopeywell 735s Hoover 1114 Hoover Unity 151s	2114 Nat 9856 Nat 5556 Nat 2816 Nat 9134 Nat 1516 Nat 1516 Nat 17316 NC	Dist. Chem. 2616 L. Spann. 2016 L. Septice Ind. 1714 L. Sarvice Ind. 1714 L. Standard. 1518 L. Steel 2714 Tomas 1388 R. Standard 1518 R. Stand	2014 Sn 2014 Sn 1912 So 1714 So 15 St 2614 St 4014 St 15214 St 2114 St	nith Inti	8 6356 4 50 11 816 1878 8 2412 12 47 47 3312 8 5078 8 5718	after dipping to \$59.95 Advances led declines 7 volume of shares, compa Friday's mid-session fi 20.84m. Morgan Guaranty cut rate a full point to 17; leaving rates at majo spread from 17; to 19	to 5 on in modera in modera Toronto Con 24 to 1882.5 its prime per cent, in proved 1.6 in per cent. Montreel In the market in modera in modera in modera in modera in per cent.	to 0, 9,
	Am. Elect. Purt	Crane 364 368 276 276 276 276 276 276 276 276 276 276	Hormei Geo	49 NY 153 Nec 283 NE 3918 NE 2158 NL 17 NL 8012 57 No 40 Nti	State E & G. 25 Times 2034 wmont Mining 337s g. Mohawk. 127s industries 7354 industries 19 rfolk & Westd 277s i. Am. /Philps 25 h. Am. /Philps 25 lin. State Pwr. 2314	21 Sp 23 Sp 183 Sp 261s So 401s St 1834 St 274 St 274 St 2514 St	# Bancshares. 25. serry Cerp. 47. poing Mills. 14. quare D. 19. quale D. 36. d Brands 36. d Brands 36. d Gli C'ifornia- sid Oil C'ifornia- di Oil Oilo. 32. anley Wis 29.	251g 14 47 16 141g 18 20 21 14 19 2678 14 2114 19 6954 14 10114 2254	But institutions remain on the sidelines. Analthat, with recent econor such as unemployment, and leading indicators ing a sharp recession, little reason for insti- be aggressive buyers. Concern about the a	to 354.01, but to 308.79 at to 308.79 at to 308.79 at the second the second to 308.79 at the second to 354.01, but to 308.79 at the second to 308.79 a	
. :	Am. Standard	Delta Air	Hutton (EF) 211; Huyek 225; IKA Corp 31; IV Intl. 134; Ideal Basic Ind 198; Ideal Toy 44; Imp. Corp Amen 20 INCO. 203; Ingersoil Rand 475; Inland 32ed 293;	221s No 127s No 225s Nw 255s Nw 251 Nw 193s Nw 434 Nw 80 No 20 Do 211s Og 48 Og 48 Og	75es rithrop	25 St 2234 St 2234 St 2736 Su 25 Su	auffer Chem	13 1756 1312 21 1312 21 16858 1518 4 4278 145 14 3778 14 3778 14 3778	ing OPEC meeting had tive effect on the marker although higher prices a some Oils. Interest rate-sensitive rose, particularly banks Citicorp gained 1½ to \$2 America; ½ to \$25½, exchemical New York \$1 and Bankers Trust \$1	t overall, could aid bank's decist to tighten e Discount and Motor sh BMW lost D Daimler-Ben and Vollsw: to \$381 Chemicals	i rd 13) z z z
	Armeco	Dillon	Intel 621 621 101 621	2614 Oli 2118 On 1936 Our 1936 Our 1014 Ow 3318 PH 21 PP 2578	13. Nat. Gas. 2214 1612	213, "1 1612 T2 283, T6 9 T6 2014 T6 2372 T6 22 T1 2914 T6	ampax	52 3218 14 9518 18 4434 3414 1912 58 3454 14 4658 62 14 68 2612	Volume leader Public Electric and Gas picked \$19 i. General Motors lost i and Ford Motor i to \$1 late-April car sales felt cent and Ford's 47 i Chrysler, which said it expect a decision yester	Service I up i to DM 223 wi DM 230 to Among turers, KHI 22i. GM's DM 210.5 a company wo shares to state to stat	
	Avnet 255g 251g Avon Proda 359, 3654, Baker Intl. 8915 591g Balt Gas & El. 2214 221g Bangor Punta 189g 189g Bank Amarica 245g 245g Bank of NY 295g 30 Bankars Tst. NY 4814 4214	EG & G	Irving Bank	2114 Pa 2114 Pa 2412 Pa 2434 Pa 2036 Pa 2036 Pa 7558 Pa 7 Pa 1912 Pa 5034 Pa	c. Lighting 214 c. Lighting 214 c. Limber 4418 c. Tel & Tel 123a im Beach 155a n Am Air 45a n Hand. Pipe 6212 rker Hanfn 25 abody inti 21 nnwait 2414 nnwait 26	204 Tr 4434 Tr 124 Tr 1378 Tr 418 Tr 4178 Tr 2574 Tr 2414 Tr 2418	exas (UTITIES. 18 exxseguif 22 bermo Electron 25 hormas Betts 38 dewater 34 ger Intl 23 ime Inc. 40 imes Mirror 29 imken 46	55 8112 55 256 69 2256 38 35 19 214, 36 4018 34 4618	the Loan Guarantee Boa to \$67. Boeing, which won a Navy contract for air cruise missiles, improv Closing prices for America were not a for this edition	rd, eased MAN shed I Babcock als In Bank declined DM Stores we with Hort DM 130 and vallable at DM 198	0 5 6 7 6
-	Baxt Tray Lab 441s 444s Beattries Foods 5014 2019 255 25 Beker Inda 111s 111s 111s Bell & Nowell 20 221s Bell Industries 10 1012 Bendix 501s 211s 211s 211s Beth Steel 2015 201s 201s Beth Three Inda	El Paso 185 18 Emerson Elect 524 124 124 Emery Air Fgt 124 124 124 Emissy Air Fgt 255 27 Englehard MC 271 278 Enserch 291 291 Envirotech 81 84 84 Envirotech 255 251 Envirotech 255 251 Envirotech 244 244 Evens Prods 174 174	Kaiser Alumin	1878 Pa 3614 Pa 758 Pa 1758 Pa 1778 Pa 1778 Pa 2714 Pa 2378 Pf 67 Pf	nnzoll	4834 TI 2858 TI 2814 TI 2814 TI 3436 TI 3816 TI 381 TI 3774 T	onica 9 onica 9 onica 9 onica 9 pane 19 ransamerica 16 rans Union 5 rans World 12 ravelers 37 ri Continental 18	54 1019 14 2259 14 1854 16 1619 18 3034 21 54 1119 3658 14 18	CANADA Stock May May May 8 Abitibl 1812 18 Agnico Eagle 107g 10	BELGIUM (continue May 5 Frs. Patrofina 5,16 Royalé Belge 5,50 Soc San Banq 2,45 Soc Gen Belge 1,136	d 0008
	Binck & Deckar 188a 1885 Blook HR 241c 341c Blue Bell 2514 508 Boelng 301c 301c Bordan 251c 351c Bordan 251c 351c Braniff Intl 71c 56 Brage Strain, 215c 217c	Ex Cell O 27.5e 28% 28% 28% 28% 28% 28% 28% 28% 28% 28%	Kopers 25 Kraft 441 Kroehlar 37 Kroger 15 LTV 113 Laniar Bas. Prod 253 Lear Siegler 181 Leaseway Trans 203	3212 Pil 3212 Pil 3212 Pil 353 Pil 164 Pil 3114 Pol 3233 Pol 19 Pr	Hillips Pet. 4854 Inbury 35 Solve 4168 Solve 5458 Solve 558 Solve 5018	354 T. 414 U. 3434 U. 1918 U. 559 U. 5236 U. 3612 U. 1878 U. 1878 U.	yler	1034 14 1514 1218 34 1158 115 58 134 5718 118 3758	Bow Valley 441g 43 BP Canada 421g 43 Brascan A 251g 24	Solvay	05060
	Brown Forman B 544 351 8:0wn Grp 253 35 35 35 35 35 35 35 35 35 35 35 35 3	18 18 18 18 18 18 18 18	Lessona	321g Pu 557g Pu 201g Pu 445g Qu 555g Qu 511g Rc 511g Rc 551g Ra 551g Ra	b. S. Indiana	221 ₂ U 28 U 147 ₈ U 283 ₄ U 295 ₈ U 201 ₂ U 43 ₄ U 213 ₄ U 101 ₂ U 71 ₂ U	### Brands 10 ### Brands	145 1056 3114 3814 1316 1314 1316 1314 1316 1316 1316 13	B.C. Forest	Andeisbanken 108,5 Sale Baitics Skand 58 Burm & Wain 65 D Surkerfab 114 Danske Bank 106 Finansbanken 106 Finansbanken 445 Forende Brygg 229 Forende Dzmpsk 161,5	3
1	Burroughs 641s [-654]	Flextwood Ent. 5% 5% 5% 5% 5% 5% 5% 5% 5% 5% 5% 5% 5%	Lone Star Inds 25% Longs Drup Strs 244 Louisiana Land 351 Louisiana Pac 231 Louisiana Pac 251 Lucky Strs 151 MCA 50 Macke, 10 MacMillan, 113 Macy Fund 127 Marison Fund 177 Mfors Hanover 259	3614 Ra 2214 Ra 958 Rc 2012 Rc 4015 Rc 5078 Rc 10 Rc 1113 Rc 1134 Rc	ytheon	387s U 8 U 2754 U 107s V 65 V 221s V 255g V 307s V	And Technolgs 44 Ital Telecomms 15 Ital Tele	154 4112 18 18 156 5178 1978 1 23.7 378 858	Cdn Pacific Inv. 394 30 30 30 30 30 30 30 3	Mord Kabel	81
	Carter Hawtey 1654 1654 Caterpillar 4514 4578 Calaness Corp 4514 4518 Central & SW 1414 1418 Central & SW 1414 1418 Central Tel Util 2448 2458 Certain-tead 1278 13 Cessna Airotraft 1334 1418 Champ HomeStd 1 1	GK Technologies 241s 255e Gambie-Skogrijd 355e 35 Gantiett 3114 405s Gen Am Invest 121s 121s Gen Chama	Mapoc	8 5554 Re 8 5564 Re 1414 Re 1912 Re 5555 Ri 4 14 Rx 6 4234 Rc 8 20 Rx 8 21 R 8 27 R 8 76 Rc 8 76 Rc	wion	2534 W 2154 W 2534 W 2534 W 2534 W 2534 W 1512 W	Varner-Lambt 11 Warner Swasey 7 Vashington Post 1 Waste Mangt 4 Vels Mkts 2 Wells Fargo 2 W. Point Peppl 5 Wastern Alriinesr	24 4178 31g 1778	Dome Petroleum 78-4 77-5 78-4 77-5 78-4	518 May 5 Pric 572 Pric 448 Emprunt 4/2 1978 201 Emprunt 7/8 1974 6,46 CNE 5/2 CNE 5/2 CNE 5/2 Afrique Ocold. 35 Air Liquida	. 285790
	Champ Sp Plug. 25a	Gen Mills	Mass Multi Corp. 147 Mattel. 77 May bept Strs	714 RX 4 2012 RI 5 1714 RX 5 214 RX 5 214 RX 6 2314 RX 6 2314 RX 6 2315 RX 6 3315 RX	24/6 24/6	591s V 91s V 494 V 111s V 2214 V 121s V 1955 V	Westin, Nth. Ame. 4 Westinghouse 2 Westinghouse 2 Westinghouse 2 Westinghouse 3 Wheeling Pitts 1 White Consoltd 3 White Motor 2 White Motor 2	534 4556 215 2212 312 2834 D15 30 1556 3556 7 1712 756 17 D14 2014 136 414 D15 2014	Hollinger Ags. A. 391 ₂ 3 Hudson Bay Mng. 235 ₄ 2 Hudson's Bay	Sic	.1
	Citicorp	Georgis Pac. 234 244 246 246 246 246 246 246 246 246 24	Molean Truckg 8 Mead 25 Media Geri 25 Medion Nati 25 Melion Sati 25 Melion Sati 32 Mercantile Stra 32 Mercantile Stra 34 Mercantile Stra 34 Mercii Lynch 19	8 Sa 2176 Sa 8 2514 St 9 2534 St 2 2773 St 2 1134 Sa 2 52 Sa 3468 Sa	1	2856 V 4014 V 59 V 341 ₂ V 2656 V 55 V	Minn-Dixle Str 20 Minnebago. 20 Minnebago. 20 Miso Elec Power 20 Mi	2559 218 218 2418 2418 24 3338 758 258 258 14	Interpr. Pipe	CCF 163 Creusot Loire	.5
	NEW YORK-DOW JO	Indices NES 1980 Apr. Apr. Apr. High Low	Since Cmplit**n High Low Sudn	TRALIA	5 2 5 783 60	May Apr. 1 50	947.47 (14/2) 78	Low (2/1)	Nthn. Telscolm 415 4 Calcwood Pet 1912 11 Omni 2,50 2 Pacific Cooper 5,65 5 Pan can Petrol 7114 7 Patino 31 3 Placer Dev 4612 4 Power Corp. 1448 4,80 4	Matra 9,130	.5
•	e industr'is \$10,82 905,73 817,66 61 H'me B'nds 71,71 71,52 70,55 70 Transport, 267 52 942,11 941,82 94 Utilities 185,52 105,55 108,79 100	1_00 365,46 805,56 895,84 758,15 (21/5) 0.97 71, 14 76,73 74,91 (21/5) 0.97 371,14 76,73 74,91 (21/5) 0.95 269,23 241,13 306,90 255,26 (22/6) 0.92 186,65 196,56 175,45 35,94 (27/6)	1851.78 41.22 AUST (11/78) (2/7/82) Gred 12.5 86 12.25 Belg (8/2/80) (8/7/82) Belg (28/4/80) (8/7/82) Belg	ls &Minis (183	523 97.72 57.46 52 96.80 96.87	(c) 96.87 77.47 77.58	88.48 (7/1) 6 105.75 (11/2) 8	7.40(2/5) 0.14 (61/6) 74.78 (6/6)	Reed Paper B Pf 978 Reed Sternhs A 8 30 34 35 36 378 379 3	71g Redoute	,C
	9 Day's high 875.75 low 802.99		fear ago (approx) 5,85 CAC Ind GER FAZ COM	CE General (29/1) Fendance (29/ MANY Aktien (61/12/ Imerzbank(0)	7(81) 104,90 184,89 197/9) 101,40 101,09 101,40 101,09	(c) 104,5 (c) 101.1 (c) 220,59 (c) 882,1	109.76 (15/2) \$5 258.85 (25/2) 2	.1 (6/1) .88 (6/1) 12,76 (28/6) 17,0 (27/6)	Tecaco Canada. 1514 8 Thomson News A 1614 1 Toronto Dom Bk. 2615 2 Transcan Pipe 2515 2 Trans-Meth Oll & 1155 Utd Stooe Mine 1414 1 Walker(Hrm)C.H. 2555 2 Westcoast Trans. 1555 1	516 518 May 5 Pric 518 518 518 518 518 519 519 519 519 519 519 519 519 519 519	
	STANDARD AND POORS	1980	Since Cmpli't'n HOL	LAND -CBS Ganeral	(1870) (c) 81.30	81,8 (c)		4.8 (27/6)	Weston (Geo) 22% 2	BHF-Bank_,	į

Apr. 25 Apr. 16 Year ago (approx

7,37

10,70

High Low

Closion price 337, 5% 19% 49%

TORONTO Composite 1884,5 1875,8 1898,9 1898,1 . 2189,6 (29)2) . 1782,5 (27)5)

HONTREAL

5,12

121,21 (276) 218,30 (276)

8,56

NORWAY Oslo SE (1/1/72)

SINGAPORE Straits Times (1986)

SOUTH AFRICA Gold (1858) Industrial (1868)

·768,8 (18:5)

85,11 (2/1)

425,76 (5(1)

35_02 (2/5)

864.72 (17/1₂

6476,93 (27*6*5) 448,01 (10/6)

es to 809.9 at 1 pm

RICAN SE Market gained 1.08 to 255.89 of 1.94m shares at

lining trend continued ectors, with the Com-Index shedding 2.9 to e wake of the Bundes-cision last Wednesday credit by raising the and Lombard rates.

nz DM 1 to DM 246, wagen 90 pfennigs to

s and Machines were h Bayer down DM 1 to

Paris .

Marine-Wendel made the days ectors, with the ComIndex shedding 29 to e wake of the Bundesislon last Wednesday credit by raising the ind Lombard rates. shares were easier. DM 1.50 to DM 11.50, enx DM 1 to DM 246. Essilor.

Marine-Wendel made the days extracted made t Essilor.

Hong Kong

lier, (rand Metropoliindon, which wants to
it for \$50 a share, said
arolina hearing officer
ded the state securiissioner to allow the
isseed after a five-day

to DM 255 against the trend.
On the Domestic Bond market,
seased by up
to 70 pfennigs and the Bundesbank sold DM 9.5m nominal of
paper. Mark Eurobonds were
paper. Mark Eurobonds were
isseed after a five-day

New World Developments 48
cents to HK\$2.75 and Hong Kong
Telephone 30 cents to HK\$24.20.
Turnover at thefour Stock
bank sold DM 9.5m nominal of
paper. Mark Eurobonds were
priday.

Australia

هكدامنالأصل

French share prices generally

French share prices generally
closed slightly above their
friday levels in light trading.

Friday levels in light trading.

Speculation that another round

Speculation that another round closed Signity above their round of falls by 105-to-104. Once again, there was no news to affect trading but observers said the firm undertone on Wall the firm undertone of oil price rises would fallow the deging ahead of falls by 105.

Speculation that another round of oil price rises would fallow the firm undertone of oil price rises would f

rumours.

Coal stocks were generally subdued as the NSW-Queensland coll dispute gathered momentum and BHP, which had bad to cut iron production as a result of the dispute, fell 15 cents to A\$12.00.

Hong Kong

The market opened firm and continued its upward trend for most of the day. Although at one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the day one tage in the morning session the Hong Kong Index lost 5.67 most of the Hong Kong Index lost 5

CANADA		1	BELGIUM (cor	rtinued)	,	HOLLAND		. 1	AUSTRALIA		JAPAN (continued	() cs
		1	May 5	Price	+ <u>o</u> r	May 2		+ or	May 5 Aust.	+ or	May 8 Ye	
- Stock	May 2	May 1	Petrofina	5,160	-40 -20	ACF Holding	75.1	-0.9	ANZ Group 4.25 Acrow Aust 0.80		Kubota	35
Abitibl Agnico Eagle	181g 107g	18½ 10¾	Royalé Belge Soc Gen Bang	2.450	+35	AholdAKZO	68,0±		Ajistate Expl 1,05 Ampoi Pet 1,05		Lion	10
Alcan Alumn Algoma Stadi	29년	291g .	Soc Gen Beige	. 3.450	+75 -15	YBN ************************************	299	-6 -0.8	Assoc. Pulp Pap. 1.95 Audimco 0.26	+0,05	Maeda Cons 4: Makita1,0:	
Asbestos Bk Montreal	3612	571 ₂ 24	Solvay Traction Elect UCB	2,525	+20	AMRO Bredero Cert	62,2	-1.5 +2.5	Aust Cons Ind 2.03 Aust Guarant 1.35	0.01		36
Bk Nova Scotia Basic Resources.	2514	25 11	Union Miniere Vieille Mont	. 740	5 +54	Bos Kails Buehrmann-Tet .	89.7	-0.1 -0.7	Aust Nat Inds 2.49 Aust Paper 1.68		Matsushita 70	07
Bell Canada		191g	DENMARK			Caland Hidgs	25.5 202.0sd	-0.2 -1	Bamboo Creek 0.16 Bank NSW 2,9	+0.01	M'bishi Bank 4	14
Bow Valley BP Canada	441g 421g	481g .43				Ennia Euro Com Tst	130		Bond Hidgs1.23)	+0.03	M bish! Elec 1!	99 57
Brinco	251g 81g	241 ₈ 71 ₈	May 5	Price . Kroner	+6	Gist. Brocades Heineken	61.xc	+0.3	Bi'ville Copper 1,97)	C -0.08	MHI 19	91
Cadillac Fairy	184	2214 181 ₂	Andelsbanken Beitica Skand	108,25 290	+0.25	Hoogovens Hunter Douglas	17.5	+0.5	Brambles inds 1.90 Bridge Oil 3.20)	Mitsui Ri Est 4	57 10
Camflow Mines	124	1678 12 181 ₉	Burm & Wain	103	-1,5	int-Mueller	26,8 62,8	-0,8 -0.7	BHP 12.00 Brunswick Oll 0.18 GSR 5.01	5 ;		60
Can NW Lands		30%	D Sukkerfab	101.0	+0,5	Naarden Nat Ned Cert	,116.4	-0.1 -0.1	Cariton & Utd 1.81 Cluff Off (Aust.) 0.81	5 +O.01	Nippon Gakku 70	11
Can Packers Can Perm Mtg Can Trustco	51 174 2578	1734 233a	Finanzbanken	145	+0.5	Ned Cred Bank Ned Mid Bank	211.5	+0.2 -2.5 -1.6	Do. Opts 0.20 Cookburn Cemt. 1.3)	Nippon Oil	59
Can Imp Bank	2478	251g 251g	Forende Brygg Forende Damps	- xxa	+2 +0.5	Nediloyd Oce Grinten OGEM	119.6	+0.1	Goles (G.J.)		Minnon Suisan 2	02
Con Pacific	3758	3718 39	GNT Hidg	152	+3	Ommeren (van)	, 241,5	4.5	Containers 2.6			90
Cdn Tire Cherokee Res	24 -	24 11½	Nord Kabal Novo Ind	255,25 104	+0.25 +1	Pakhoed Philips	18.6	-0.9 -0.2 0.5	Conzine Rietin 5.00 Costain 2,50	-0,85	Nisshin Steel 1	23 52 85
Chieftain	2912	29	Privatbanken Provinsbanken.	105,25 105	-1	Philips	160.2	+0,2	Crusader Oil 3.00 Dunlop 0.75	3	NYK 3	15
Cons Bathst A	1478	567a 148a	S Berendsen	364 100 F	-0.25 +3	RolincoRorento	142.5 109.5	-0.4 -0.2	Elder Smith GM.: 2.55 Endeavour Res: 0.34	i0,01	Orient 92	20
Costain Daon Devel	1. 712	1112 714 578	Saberios	1108.0		Royal Dutch Slavenburg's	. 152.6 . 208#d	+0.8	Escor	5 —0.03	Renown 49	96 60
Denison Mines	407a	404 721s	FRANCE			Token Pec Ho	!152	+2 -0.4	Hartogen Energy 3,60 Hooker 0,91	+0.16	Sanyo Elec	
Dome Petroleum	754	.7184	_	I		UnileverViking ResVMF-Stork	28.5	-0.5 -0.2	(GI Aust)	Sharp 5	70 38
Dom Bridge Dom Foundries A	151g 321g	151 ₈ 33	May 5	Frs.	+ or	VMF-Stork VNU Volker-Stevin West Utr Bank	60.4	0,8 0,5 2	Jimberiana Min 2.20 Jones (D) 1.30	+0.25	Sony1,9:	30
Dom Stores,	174 245a.	171 ₂ 243 ₈	Emprunt 41% 197 Emprunt 7% 197	2012	1 47	West Of Bank			Kia Ora Gold 0.33 Lennard Oll 1.75	+0,15	S'tomo Marine 2	52
Falcon Nickel A_ G4nstar	264	26 141	CNE 3%	. 4,805	+5	-			Mim 3.90 Meekatharra Ms. 3.10)	Taise Corp 19	
Gt-West Life, Gulf Canada Gulfstream Res	J 321g	315g 5,75	Air Liquids Aquitaine	519 1,260	_5 _e	ITALY	1	ı	Metramar Min 0.24 Monarch Pet 0.73		Takeda 50	01 70
Hawk Sid. Can Hollinger Ags. A.	16	155 ₄ 391 ₂	Au Printemps BIC	. 114.7 . 475	-0,2 +4,8	May 5	Price Lire	+ or	Myer Emp		Teijin 12 Teikoku Oil 1,40	59 00
Hudson Bay Mng.	. 2354	2414	Banq'Rothschil	1 155.3	+0.1	ANIC,	810		News)	TBS 59	32 35
Hudson's Bey do. Oil ≛ Gas	241g 1201g	244 1154	BSN Gervals Carrefour	1.775	+2 +22	Assicur Gen Banca Com'le	. 12,850 . 12,850		Oakbridge 3.00 Otter Expl 1.40)	Tokyo Elect.Pwr. 85	55 16
Husky Oil IAC Imasco	i 10as	911 ₂ 105 ₄	CGE	363.1	+15,9 +1.1	Banca Com'le. Bastogi Fin. Centrale Credito Varesino Fiat. Finsider.	9360	+3 -50	Pancon 5.30	+0.10 -0.01	Tokyo Sanyo 58 Toshiba 19	35 36
Imasco Imp Oil A	407s	44 41 251 ₂	CSF (Thomson). Cle Bancaire	_ 293.5	+0,5	Fiat	1,860	25 0.25	Pioneer Conc. 1.80		Tokyo Corp 20	15
indal interpr. Pipa	12	113	Cie Gen Eaux	151	+3.9	Itelcementi	20,800		Reckfit & Colf 2.30	+0.10	Toyota Motor 83 Victor 1,4	30
Kaiser Res	28	284	CCF	. 165 - 54	+1 -0.4 -0.7	Italsider Montedison Olivetti	. 514 . 168,25	† + 1.75 † — 1.66	Sleigh (H.C.)	+0,01		4
Mac. Bloedel Marks & Spenser	25 k	2514 77g	Dumez	00,0	-0.5 -3	Pirelli Go Pirelli Go	. 1.988	+15	Thos Natwids 2.36 Tooheys 2.13		Yamazaki 49 Yasuda Fire 2	
Massey Ferg McIntyre Mines	91g 58	.9 581 ₂	Ferodo	359	+0,2	Snie Viscose do. do. Priv	700	11	Tooth 1.96	-0.05	COURTAGE DOGGE	10
Mariand Explor Mitel Corp] 1B1 _B	2614 1778 3534	imetal	[105.8	+0.2	Toro Assicdo Pref	13,990		Valiant Consdt 1.30 Waitons,, 0.60		SINGAPORE	;
Moore Corp Mountain State Nat.Sea Prods A.	1114	1114	L'Oreal Legrand Machines Bull.	680	+9 5		.,		i wooqside petroj, 2,24	-0.04	May 5 Pri	
Noranda Mines	254	24	1 M2173	"A' TOO	+0.5 +70	NORWAY	,		Wormald Intl 3.00		Boustead BHd 4.	10
Norcen Energy,,, http://telecom Oakwood Pet.,,,,	331g 415g 191g	354 414 19	Michelin B Most-Hennessy	803	—11 —0.9	'May 5	Price Kroner	+ 0	HONG KONG	:	Cold Storage 5.0 DBS 4.1 Fraser & Neave 6.2	36
Omni	2,50	2,50 3,50	Mouilnex Paribas Pechiney		+0,2	Bergens Bank,	102,5		May 5 Price		HawPar 1.8	36
Pan can Petrol	714 51	705 ₈	Pernod Ricard .	287 235.5	+2,2	Borregaard Creditbank	. 113.5		Cheung Kong 15.79 Cosmo Prop 1,6		Malay Banking 8.9 Malay Brow 4.5	30 30 +0.08
Placer Dev:	461 ₂	47 141 ₈	Peúgeot-Cit Pociain	224 234.0	+2	Elkem Kosmos Norsk Hydro	. 465		Cross Harbour 9.1 Eastn Asia Nev 5.4	.5;	OCSC	+0.02
Quebec Strgn Ranger Oil		4.80 271 ₂	Radiotech	[256 _ 440	i —5 ∣ —10	Storebrand	132.5		Hang Seng Bank 97.5 HK Electric 5.8		Sime Darby 3.0 Straits Trdg 11.3 UOB 3.	30. +0,20
Reed Paper B Pf Reed Stenha A	97g	97g 8	Rhone Poulenc. Roussel-Uciaf	_ 237	+1.9	i	:		HK Kowloon Wh. 65	iO	SOUTH AFRICA	
Rio Algom		301s 403 ₄ 183 ₄	St-Gobain Skis Rossignol .	131.0 649	+4	SWEDEN			HK Shanghai Bk. 13.1 HK Telephone 24.1 Hutchison Wpa 8.1	10. + 0.30	May 5 Pric	ce i + or
Royal Trustoc A Sceptre Res Saegram	1414	15% 64%	Suez Telemech Elect Thomson Brand	275 810 106 n	+1.5 +9 +1	May 5	Price Kroner	+ or	Hutchison Wpa 8.3 Jardine Math 14.00 New World Dev. 3.3	cai +0.28	Ra	
Snell can Cil	317g	521g 26%	TUDNINGH PLANK	4040	<u> </u>	AGA	172	<u> </u>	O'seas Trust Bk. 4.3 SHK Props 20.4	5 +0.10	AE & Cl 6	.75 +0.05 .85 +0.05
Teck B Texaco Canada	14	141 <u>a</u> 851 ₉	GERMANY			Alfa-Laval	. 54	+1	Swire Pac A 7.1 Wheel'k Mard A 3.5	5 +0.05	Angio Am. Cp 13 Angio Am. Gold 82	
Thomson News A	164	161g	May 5	Price Dm.] + °°	Atlas Copeo.,		~1,0 	Wheel'k Mariti's 4.5	<u>;o</u>]	Buffels 35	.90 -0.05 .85 +0.70
Transcen Pipe	251g	225.	AEG-Telef	74.0 361	-1 -9	Cellulosa Electrolux	. 102	+2 -1 +0.5	JAPAN	ı	Currie Finance 1	.55 .55
Utd Siscoe Min es Walker(Hrm)C.H.	144	1414 2578	Allianz Vers BASFBAYER	141.5	+4	Ericsson Esseite	. 140	+0.5	May 2 Prio		East Drie	.75 +0.55
Warrior Res Westcoast Trans.	3,95 134	3,90 131 ₂	Bayer Hypo Bayer-Verein			Fagersta Graenges	.i 85		Ajinomoto 589		FS Geduld	.25
Weston (Geo)		2234	BHF-Bank_,	_ 169	—3	Mo ceh Dem Saab-Scania	.! 82	+2	Amada		Huletis 5	.80 —0.15 +0.25
····			Brown Bovering	230.0	-0.2	Skandig	256	-1	Bridgestone 520 Canon 642		Nedbank 5 OK Bazears 14,1	.80 -0.06 20
			Commerzbank Conti Gumml Dalmler Benz	.J. 3U.3	l	Skan Enskilda SKF St.Kopparberg	.' 72.0	: +1 <u>-1</u>	Citizen	·	Remorant 6,1	5
. AUSTRIA	•		Degussa, Demag	222.0 127.5		Sven Handelshn. Tandstik	69.5		Dai Nippon Ptg., 506 Daiwa House 27		Rennies 2.' Rust Plat 5.(75 38 + 0.03
Men E	Dries	+ ог	D'sche Babcoci	212.0	_2	Vddeholm Volyo	. 68		Dalwa Seiko 29:		Sage Hidgs 2,4	15 18 +0.13
May 5	4		Deutsche Bank. DU Schult Dresdnar Bank.	. 155	+1.0		.	_ ······	Eisal 90! Full Bank 41!	i :	Smith CG Sugar, 10,4 Sorec	72
Creditanstalt			Dyck Zement SHH		-2.0	SWITZERLAN	D		Fuli Film 548	1 :	Tiger Oats	35
Perimoser	265 104	+4	Kapag Lloyd	_ 68 .	+1.5		i	+ or	Fujitsu Fanuc2,630 Green Cross		Discount	of —)
Steyr Daimler Veltscher Mag	4	+8	Hoesch	118,2 25,5		May-5	Price Frs.		Hasegawa 550 Heiwa Ri Est 570		Financial R	and n.a.
			Hojzmann (P)	. 379 130.0	-1	Aiveliese Brown Boveri	1,170		Hitachi Koki, 572		BRAZIL	
			Kali und Salz Karstadi			Ciba-Geigy do (Part Certs).	. 1070	+10	Honda			ce + or
BELGIUM/LUX	ŒMBO	URG	Kaufbof KliD	210,5		Credit Suisse Elektrowatt	2,150 2,285	5	Hoya		Acceits 1	.40 .+0.02
	Price	+ or	Krupp	42	-1.8	Fischer (Geo) Hoff-RochePt Cts	815 55.750	+5 -250	to Yekado:		Sanco Brazil 2	.75 +0.02 .75 +0.08 .55 +0.25
May 5	Fise	<u> </u>	Linde	300 300	+4.5	Hoff-Rocks 1/10, Interfood	5,875 5,275	25	JACCS		Lojas Amer	.88) —0.02 .85: +0.15
		J	MAN	186.3 116.3	-2 -1.4	Joimoli Landis & Gyr	1,310 1,360	+10	Jusco		Pirelli 2 Souza Cruz 3	.50
ARBED	2,100 5,200	N	Marineemann				5.540					.60, +0.10
Banq Ind a Lux Beksert B Ciment CBR	2,100 5,200 2,010 973	+30	Mercedes Hig Metaligessoil	268 268		Nestie Oer-Buhrle	2,690	-10	Kashiyame 490	<u> </u>		40 +0.76
Banq Ind a Lux Beksert B Ciment CBR Cockerili EBES	2,100 5,200 2,010 972	+30 -22 -12	Mercedes Hig Metaligessoil Muanch Ruck	268 575		Oer-Buhrie Piraili Sandoz (Br)	2,690 268 3,625	; 2	Kikkoman		Vale Rio Doce 8 Tover. Cr. 858.7m, V	(40 + 0.75 ol. 235.0m.
Beng ind a Lux Bekaert B Ciment CBR Cockeriii EBES Electrobel Fabrique Nat	2,100 5,200 2,010 972 2,210 5,580	+30 -22 -12 +10 +10 -65	Mercedes Hig Metaligessoil Meanch Ruck Preussag Rinein West Elec Rosenthal	258 268 575 189.0 168.0	-2 -1	Oer-Buhrie Pirelli Sandoz (Br) Sandoz (Pt Ots) Schindler(Pt Ots)	2,690 268 3,625 467	2 +2	Kashiyama 490 Kikkoman 390 Kirin 421 Kokuyo 970 Komatsu 560 Komatsu Fift 698	· · · · · · · · · · · · · · · · · · ·	Vale Rio Doce 8 T'over. Cr. 858.7m, V Source: Rio de Jair	(40, +0.76 fol. 235.0m. neiro SE.
Beng ind a Lux Beksert B. Ciment CBR Cockerill EBES Electrobel Fabrique Nat GBL (Nous CBL)	2,100 5,200 2,010 972 2,210 5,580	+30 -22 -12 +10 +10 -65	Mercedes Hig	215.5 268 189.0 168.0 248 180.5	-2 -1 +0.5 -0.5	Oer-Buhrie Piralli Sandoz (Br). Sandoz (Pt Ots) Schindler(Pt Ots) Swissalr. Swiss Bank.	2,690 268 3,685 467 250 760 368	+2 +2 -10	Kashiyama 451 Kikkoman 390 Kirin 421 Kokuyo 970 Komatsu 911 688 Komatsu Fift 688 Konishiroku 454	-M-1	Vale Rio Dooe 8 Tover. Cr. 858.7m. V Source: Rio de Jal Spanish prices I	/40. +0.78 /ol. 235.0m. neiro SE. Page 19
Beng Ind a Lux Seksert B. Ciment CBR. Cockerili EBES Electrobel Fabrique Nat. GB.Inio. GB.I. (Brux L). Gevaert Hoboken.	2,100 5,200 2,010 2,210 5,580 3,235 2,470 1,274 1,120 2,586 1,680	+30 -22 -12 +10 +10 -65 +36 -50 +40	Mercedes Hig- Metaligesell Mearch Ruck Preussag Rhein West Else Rosenthal Schoting Siemens Tayasen Varia Vebs	215.5 268 575 189.0 168.0 180.5 259.5 143.0 143.0	+0.5 +0.5	Oer-Buhrte	2,690 268 3,685 467 250 760 368 5,000	-2 +2 -10 -4 +50	Kashiyama 481 Kikkoman 390 Kirin 421 Kokuyo 970 Komatsu 560 Komatsu Fift 682 Konishiroku 482 MOIES:—Prices ondowdust exchanges	u this and are	Vale Rio Doce 8 Tover. Cr. 858.7m. V Source: Rio de Jai Spanish prices I page. are as quoter last traded extend	240. +0.78 201. 235.0m. 201. 235.0m. 201. 256.
Beng ind a Lux Beksert B. Ciment CBR. Cockerili EBES Electrobel Fabrique Nat. GBL (Brux L) Gevaert	2,100 5,200 2,010 2,210 5,580 3,235 2,470 1,274 1,120 2,586 1,680	+30 -22 -12 +10 +10 -65 +36 -50 +10 +40	Mercedes Hig	215.5 268 575 189.0 168.0 180.5 289.5 71.0 143.0 143.0 289.5	+0.5 -0.5 -0.5 +0.8 -1	Oer-Buhrie Piralli Sandoz (Br) Sandoz (Pt Ots) Schindler(Pt Ots) Swissalr Swiss Bank Swiss Refnace	2,690 268 3,685 457 250 760 3,58 5,000 1,765 3,510 2,140	+2 +2 -10 -4 +50 -5 +30	Kashiyama 451 Kikkoman 390 Kirin 421 Kokuyo 970 Komatsu 911 688 Komatsu Fift 688 Konishiroku 454	u this and are	Vale Rio Doce 8 Tover. Cr. 858.7m. V Source: Rio de Jai Spanish prices I page. are as quoter last traded extend	240. +0.78 201. 235.0m. 201. 235.0m. 201. 256.

Korean **Airlines** loan plan reviewed

By Peter Montagnon

KOREAN AIRLINES (KAL) is reviewing with the banks involved in its \$500m Eurocredit signed last October the financial performance standards set out in the loan documentation. Until the review is competed the airline may not be able to draw on the credit, which was arranged to finance the purchase of Boeing aircraft and parts.

The review became necessary after it emerged that the airline had failed to keep up the standards last year, though in Hong Kong yesterday that they could not detail exactly which standards had not been

The airline is still profitable, they said, though it has been suffering from the worldwide cost pressure on the air travel industry caused by rising fuel prices. This was aggravated in KAL's case by the political un-certainty in South Korea caused by the assassination of Presirent

Park Chung Hee last October. The bankers said that the airline's failure to comply with the performance criteria has reopened some of the considerations attached to the credit. The 42 banks which are providing the funds have not yet form-

ally agreed how to settle these It is unlikely that the discussions will actually lead to a change in pricing of the loan which is in three tranches all maturing ten years after the date of delivery of the aircraft.

The main tranche, amounting to \$369m, carries a spread of 2 per cent above London interbank rates throughout. The other two tranches, which together total \$131m, carry a spread of a per cent for the first five years, risin gto } per cent for the remainedr.

Proceeds are to finance the purchase of seven Boeing 747's and spare parts for ten aircraft. Asia Pacific Capital Corpora- was after an increase of FFT tion, while the lead managers 91m in risk provisions and the are Bank of Montreal (Asia), Citicorp International, National 38m for general risks. Con-Westminster, Fuji Bank, Bank solidated net profit is expected of Tokyo and First Chicago Asia Merchant Bank.

Koren Development 34m. Bank, which acted as a financial adviser to the borrower in the original negotiations, has been actively involved in the present review

By: Citibank, N.A., London

Volvo expects to maintain KHD sees last year's earnings level

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

ventions.

holders' report, depends on achieved from 1981 onward there being no deterioration in hopes that the world car in Sweden's general competitive will not be distorted by

The reservation is relevant in the light of the current Swedish strike and lock-out which is affecting Volvo as it does the greater part of Swedish industry.

previously reported, Volvo's biggest ever consolidated Volvo's biggest ever consolidated of the carse pre-tax profit last year was made on a SKr 12.6bn turnover. The on a turnover of SKr 23.47bn profit on cars, nevertheless, (\$5.52bn), up 23 per cent from climbed by SKr 150m, although 1978, an dthe Board proposes to the Dutch operation continued raise the shareholders' dividend to run at a loss,

VOLVO, THE Swedish car and by SKr 1 to SKr 8 a share. Group The 1979 shareholders' report VOLVO, THE Swedish car and by SKr I to SKr 8 a share. Group truck group, expects to face net profit came out at SKr 416m. reveals a substantial consolidation of the balance sheet. A new in 1979 but hopes to maintain strengthened even further, to share issue increased equity by last year's earnings of ensure a high rate of develop-sKr 1.24bn (\$292m). This forement, security of employment assets rose by SKr 1.13bn during cast, according to Mr. Pehr and a competitive return to Gyllenhammar, the managing shareholders, Mr. Gyllenhammar thas unused credit possibilities director, writing in the share-writes. He believes this can be of around SKr 5.7bn, according to the report. achieved from 1981 onwards but to the report. hopes that the world car market

This high level of liquidity is related to management plans to step up investment spending tectionism and official interover the next few years. The programme for 1980 includes new capital investments amount-A profit breakdown shows that Volvo still depends heavily on the earning capacity of its trucks. Trucks and buses coning to SKr 1.59bn.

tributed 58 per cent of SKr 720m The agreement concluded last of consolidated earnings on sales of SKr 6.6bn compared with the SKr 340m earned by the cars year with Renault, under which the French automobile manufacturer, secures 10 per cent of Volvo's car subsidiary reinforces the capital base for the car operation and opens the way for co-operation in new car projects, shareholders are told.

FRENCH NEWS

Spie-Batignolles growth slows

SPIE - BATIGNOLLES, the that all its building and public French - based construction group, had its growth record cut back sharply last year and suffered a further setback in the first quarter of this year. Consolidated turnover for the

group, which does most of its business overseas rose by only 4.4 per cent in 1979 to FFr 5.5bn (\$1.55bn) from FFr 6.2bn, after expanding by 29 per cent the previous year. Sales for the first quarter were just 3.7 per cent up on the same period last year. The parent company, con-

trolled by the Empain-Schneider group, showed a higher net profit, of FFr 30.5m (57.2m) last year, compared The agent for the credit is with FFr 25 1m in 1979 This eetting-oside of an evtra werto be around For 37m compared with the previous year's FFr

The company is proposing to roise the net dividend on its ordinary shares to FF: 530 from FFr 480. It is planning to reorganise its structure so of FFr 999.4m and was lower four years.

CITIBANCO

The multinational

for international

Banque Européenne de Crédit Boulevard du Souverain 100

B-1170 Brussels tel. 6604900 tix 23846

bank

finance.

THE NIPPON CREDIT BANK (CURAÇÃO) FINANCE N.V.

U.S. \$30,000,000

Payment of the principal of, and interest on. the Hotes is unconditionally and irrevocably guaranteed by THE NIPPON CREDIT BANK LTD. (Kabushiki Kaisha Nippon Saiken Shinyo Ginko) In accountings with the provisions of the Agent Bank Agreement ferviews the Nippon Cradit Bank (Curação) Finance N.V. and Citibant. N.A. dated February 4. 1970 notice is hereby olven that the Rate of Interest has been fixed at 141% p.a. and that the interest payable on the relevant Interest Payment Date, August 6, 1980, against Coupon No. 2 will be U.S. \$183.68 and has been computed on the actual number of days elapsed (92) divided by 360. works activities come under one subsidiary, SBTP.

Another leading French pubincrease in turnover last year mark this year. Turnover for the parent company in the first the whole year. More than 40 Travaux de L'er per cent of last year's urnover light from authorities.

Consolidated profit for last year is estimated at FFr 73m (\$17.2m) up from FFr 67.5m in 1978. Cash flow increased to lic works group, Societe Routiere about FFr 265m from FFr 246m Colas, reported a 14 per cent and is expected to reach FFr 300m this year. Parent company to FFr 4.38bn (\$1bn) and said net profit rose to FFr 51m from it expected to pass the FFr 5bn FFr 54.5m and the proposed mark this year. Turnover for dividend is raised to FFr 30 from FFr 18, on share capital quarter was 40 per cent up but increased by 20 per cent.
the company said it did not A proposal by Colas to absorb
expect to keep up this rate for another public works group, Travaux de L'est, awaits a green

Porel cuts year's loss

the troubled French catering hotel group, passed the breakeven point in the second half of last year and achieved a sharp reduction in its annual

Provisional figures showed a

JACQUES BOREL International, than the deficit in the first-half. The recovery programme for M. Jacques Borel left three years ago after a steep fall from its place of a glamour stock, has included a restreturing of its Sofitel hotel chain.

net loss for the year of The acquisition of Sofitel was FFr 29.2m (\$6.95m). This was one of the main sources of the well down on the 1978 figures company's losses over the last

Pending dividends

_Date	Announce- ment leat	Date	Announce- ment last
Allied Irlsh	year	44 0	year
	E17146 '	*K ShoesMay 20	Int. 0.86
BanksMay 16	Final 7.143	Keysar	
Armitage		UllmanMay 23	Final due
ShanksJune 6	Final 3.19	Land SecsMay 30	Final 5
ANZ BankMay 21	Int. 10 cents	*Lloyds and	
Avon RubberMay 23	Int. 4.0	ScottishMay 15	Int. 1.87
50C Intl May 23	Int. 1.9	*London and	
Sank of		NorthernMay 20	Final 2.1
irelandMay 14	Final 11.0	London and	
8795	Int. 2.1	O. FreraJune 5	Final 1.072
BeechemMay 24	Final 12.076	Mallinson	
BerecMay 16	Final 3.581	Denny,May 9	Final 1,868
BootsMay 22	Final 3.5	'/19rks and	
? i∷sh Home	ringt 3.0	Spencer May 7	Final 1.459
	Einel 20	Marley ,., May 30	Int. 1.5
StoresMay 12	Final 3.9	MEPCMay 31	Int. 1.5
British SugarMay 8	Int. 1.815	Minster	
Brixton EstMay 7	Final 0.93	AssetsMay 30	Final 2.3
BrockhouseMay 22	m, 2.0	Northern	
Brown		FoodsJune 5	Int. 1.66 .
(Matthew)May 17	Int. 1.25	*P & OMay 7	Final 3.542
Capital and	_	Pegier-	
CountiesMay 24	Final 1.41	HetterslevJune 6	Final 5.031
Carless		*Percy	(mail 0.00)
CapelJune 5	Final 0.617	BiltonJune 2	Final 4.636
Cater Ryder May 14	Final 14,719	Phillips'	111191 -11000
Coats PatonsMay 13	Final 2.342	Hays WharfMay 31	Final due
Courtaulds May 29	Final 5.574	*RHMMey 13	
DebenhamsMay 22	Final 4.324	Prop. of	102 1112
De La RuaJune 5	Final due	LampsMay 8	Int. 1.452
	Final 2.983	*Resme. Refine.	11144
DuttonMay 16	FIRM 2-363	PollardMay 8	Int. 1.44
Forshaw.,,May 17	Final 1.83	*ReadicutMay 19	Final 5
Eastern	Chiat 1-69	Reed Int May 30	Final 1.244
ProducsMay 30	Final 3.082	*Royal Bk.	************
	Final 3.002	of ScotlandMay 8	Int. 1.52
European FarriesMay 8	Final 1.38	*Sainsbury (J.) May 7	Final 4,85
Exchange	Filler 1-90	*SearsMay 7	Final 0.94
TelegraphMay 24	Final 4.0335	*SerckMay 8	Int. 2.2
French KierMay 12	Final 1.1	600 GroupJune 7	Final 2.634 ·
	Tulat 1-1	SkatchieyJune 5	Final 3.294
'Goldfields	Int. 1.53	Trefaiger HiseMay 15	Inz. 2.11
GroupJune 10	tute tend	UDSMay 14	Final 3.345
Greenali WhitleyMay 25	Final 6.519	*Vaux	
GuthrieJune 7	Final 15.0	BrewerlesMay 9	Int. 1.842
Hall	7,141 10,0	WhitbreadMay 15	Final 3.477
(Matthew)May 7	final dus	*Wolv. & Dudley	
Harrisons and	1 mm 200	BrewsMay 30	Int. 2.5
CrosfieldJune 7	Final 17.53	. Districting to	
CINRINGIO, JUNE 1	- princi 17.00		

CORAL INDEX: Close 443-448 (+2)

LG. Index Limited 01-351 3466. Lamont Road, London SW10 9HS.

1. Tax-free trading on commodity futures.

2. The commodity futures market for the small investor.

Public Works Loan Board rates Effective from May 3

How to subscribe to 42 international publications for as little as £6.50 a year

Keep abreast with international business news by subscribing to the unique newsgathering services of McCarthy Information Ltd.

Every day we scan the leading newspapers and magazines published in the world's business centres. We can provide you with cuttings on virtually any company you might be interested in. You can have the information on either an industry by industry, continent by continent or company by company basis.

Start by cutting out this coupon and learn how to keep up-todate with the world's business news.

Return to:	Barbara Bryant, McCarthy Information Ltd, Manor House, Ash Walk, Warminster, Wiltshire BA12 8PY Tel: Warminster (0985) 215151	
Name		
Company_		
Address _		

15} 15} 125 Over 10, up to 15... 14 15 Over 15, up to 25... 14} 141 144 141 141

Non-quota loans B are 1 per cent higher in each case than non-

144

157

151

15?

151

4-year

4-year

200

200

164

151

vearly annuity (fixed equ	ial half-yearly payments to inclu
cipal and interest). § With	half-yearly payment of interest on
<u></u>	
LOCAL AUTHO	RITY BOND TABLE
FAAVE vertire	Annual Interest Life
Authority	gross pay Minimum of
4	

147

Knowsley (051 548 6555)

Redbridge (01-478 3020)

Redbridge (01-475 3020)

further advances this year

By Roger Boyes in Bonn KLOECKNER HUMBOLDT DEUTZ, the West German diesel motors and engineer-ing group, is expecting increased turnover and satisfactory profits in 1980, after significant advances in earnings and sales over the past

The net profits of KHD's parent company rose last year to DM 52.1m (\$28.9m) from DM 45.9m in 1978, while sales rose by 7 per cent to DM 3.37bn. After transferring DM 15m, the same amount as in 1978, to reserves, profits attributable to shareholders reached DM 37.1m compared with DM 30.9m in 1978. The dividend will none the less remain unchanged at DM 7 per DM 50 share.

The Cologne-based company, which produces diesel engines. agricultural equipment and process plant, is cautious about making any firm predictions for this year because of its vulnerability to shifts in the international political and economic climate.

Court move on Nugan Hand (Hongkong)

By Philip Bowring in Hong Kong AN OFFICIAL receiver has been appointed as provisional liquidator of Nugan Hand (Hong Kong) Ltd., a locally incorporated deposit taking company which is part of the troubled Australian - based Nugan Hand group.

A report prepared for the Government had indicated that Nugan Hand (Houskoug) was unable to meet its obligations. It said the company's records showed assets of HK318.1m (equivalent to (U.S.\$3.7m), but most of this was represented by claims on Nugan Hand Ltd. of Australia, for which company a provi-sional liquidator was ap-pointed last month in Sydney.

McCormick acts to drive off Sandoz approaches

BY LAN HARGREAVES IN NEW YORK

company, yesterday launched a volley of litigation designed to drive off for once and for all the unwelcome advances of Sandoz, the Swiss drugs and foods conglomerate.

McCormick said it would be filing, probably in the Federal Court in Baltimore, a suit charging that Sandoz's recent attempts to take over the American company violate Federal and State securities

laws.
The company said it would

on the nature of the injunction to be sought or whether the company was also trying to win damages from Sandoz.

The timing of McCormick's stock. move in a tussle which has been quiet publicly since the U.S. company's directors formally rejected the Sandoz hid on March 20, related to another run-up in the price of McCormick stock, which is traded in the over the counter restrict the sandoz hid on rejected offer that it would consider its next move. It faces great difficulty launching a hostile takeover because only 20 per cent of McCormick stock corries volting rights and a large-

McCORMICK, THE Maryland seek "appropriate injunctive from \$26 at the opening last spice company, yesterday relief," but would not speculate Tuesday. nothing from Sandoz since

March, but that persistent rumours had driven up the Sandoz's offer is worth \$37 a share or a total of \$401m.

Sandoz said at the time of the market.

McCormick shares opened proportion of this stock is held yesterday morning at \$291, up by McCormick directors.

Good first quarter at Nestlé

BY JOHN WICKS IN ZURICH

start for the Nestle food products group, according to Dr. Arthur Fuerer, the parentcompany managing director. He said that turnover reached cent to SwFr 816m were still For 1980, the group foresees SwFr 5.6bn (\$3.33bn) in the rather below the 4 per cent total capital expenditure, including first quarter, an increase of 10.6 yield figure which Dr. Fuerer ing acquisitions, of "between SwFr 1.2bn and SwFr 1.3bn only says will have to be reached SwFr 1.2bn and SwF per cent on the corresponding period of 1979.

levels last year, consolidated operational earnings having risen by 19.3 per cent to SwFr 1.94bn.

Group net profits, up 10.4 per and passed again.

A breakdown of turnover

FHIS YEAR got off to a good profits had attained target products for 20.6 per cent of group sales. In 1979, capital expenditure rose sharply to SwFr 1.05bn, as compared with only SwFr 805m

in the previous year. For 1980, the group foresees more," which indicates that only few acquisitions are expected In 1979, group sales rose by into product groups shows that this year. The stress is to be 6.8 per cent to SwFr 21.6bn last year, instant drinks account more on the expansion of the (\$12.88m). Dr. Fuerer said that ted for 30.9 per cent and dairy group's going facilities.

Interest income boost for Swiss Bank

BY OUR ZURICH CORRESPONDENT

business volume led to a rise in net while interest earnings, while other profits were at the previous year's level and operating costs within budgeted limits.

The balancesheet total rose sharply in the quarter, by the new decline in the exchange 15.6 per cent to a new high of rates of foreign exchange cur-SwFr 79.98bn (\$47.6bn). This rencies against the Swiss franc.

SWISS BANK Corporation, of increase took place primarly Basle, Switzerland's biggest during March, almost one-half commercial bank, reports that of the growth being accounted it made "satisfactory" profits for by the higher exchange rates in the final quarter. Increased for positions in foreign currenfor positions in foreign curren-cies, particularly dollars.

However, the bank's communibeen a "substantial correction" of the balancesheet total due to

The total sum due to banks rose by over 31 per cent in the three Sw.Fr. 29.55bn, most of which was in the form of deposits with Swiss branches. deposits went up by 10 per cent que indicates that since the start to Sw.Fr. 41.74bn. some twoof the current quarter there has thirds of this increase involvbeen a "substantial correction" ing foreign branches. The marked rise in time deposits is attributed mainly to the high short-term interest rates in the

RECENT ISSUES

EQUITIES

issue Price p:	Amount Paid Up	Latest Renund. Date	19 High	eo Low	Stock	Olosing Pride	+ or	DIV. P. or Amount	Covered	Gross Yleid	Ratio
85 990 510	F.P. F.P. F.P.	_ 	180 101 34 1034	135 94. 251 ₂ 10	Amstrad Cons. Elect. Hemerdon Mining 10c Moriey (R.H.) 10p) Roche Plant 10p. Trat.ofProp.Shrs.5p.	140 99 261 ₂		bd 3.8 b4.75 1.25	1,3	-	15.9
<u>~</u>	F.P.	23/5	22	18	Ward Hidgs, Dfd	1 27			_		<u>'</u>

FIXED INTEREST STOCKS

		/		Million Crothe		
Price 5	Amount Paid Up Latest Renung	g 19 High		Stock .	Giosting Price &	or
100p	F.P. 9 F.P. 30 F.P. 30 Nii -	/5 106 /6 106 /5 95 kg	104 95 4 100 ½ 93 ½ 100 4 3pm	Edwards (L.C.) 92 Conv. Red. Cum. Pref Globe Inv Tst 1113 Conv Uns in 190-95. Imp. Cont. Gas 82 Conv. Loan 1988-2008. Leigh Interests 10pc Conv. Uns Ln. 1884-85 Mid Kent Water 92 Red Pref. 1985 Mid Southern 102 Red Prf. 1985 North Brif. Props. 943 Cov. Uns. Ln. 1988 Norwest Hoist 1128 Red Cum Pref 1986 Sutton District Water 10pc Red Pref. 1983	107 1051g 102 951g 101 5 pm 91	 ¥
		41	Ric	HTS" OFFERS		

						<u>.</u>			ŧ
issue Price	ald Co	Ren	est unc.	19 High	180 Low	Stock	Otosing pripes pt	+ or	
pt	₹₽.	ļ <u> </u>						<u>'</u>	ı
2231	F.P.	ı -	ı —	366	263	Aran Energy	366	+2 -	
30	F.P.	1/5	12/6	130	120	Brent Chemicals	136	+7	1
27	NII	l —	_	30m	1pm	First Castle Secs	2pm	l1	ı
60 I	F.P	8/1	24/1	856		Hammerson Prop. A	865	+5	1
60 48	F.P.	25/4	23/5	65	58	Howard Tenens	60		Ł
an-tal	Nii	-	- T	4550m	190 pm	Pancontinental	235pm	l '	ſ
60cts 54	NE	ـــ ا	I —	17pm		Rugby Portland Cement	16pm	ولب	1
180	Ni)	}	129mm		Unitech	116pm	+2	•
- FR	F.P.	۱ ــ	13/6	74	68	United Biscuits	73		1
68 110		23,4	15/6	140		Watmoughs	140	+5	l

usually last day for dealing free of stamp duty. b Figures estimate. g Assumed dividend and yield. u Forecast on pravious year's samings. F Dividend and yield based or official estimates for 1979. Q Gross. T Figures assumed, nearsion of shares not now tanking for dividend or ranking idends. § Placing price to public. pt Pence unless otherwise by tender. [I Officed to holders of ordinary shares as a by way of capitalisation. §§ Reintroduced. † I I saued to assistation, margar or takenyer. Ill introducion. Ill saued to

BASE LENDING RATES

1 20 March 2 Community 1 20	- mm damac:
American Express Bk. 17 %	C. Hoare & Co
Henry Ansbacher 17 %	Hongkong & Shanghai 17
A P Bank Ltd 17 %	Industrial Bk. of Scot. 171
Arbuthnot Latham 17 %	Keyser Ulimann 17
Associates Cap. Corp. 17 %	Knowsley & Co. Ltd 19
Banco de Bilbao 17 %	Langris Trust Ltd 17
Bank of Credit & Cince. 17 %	Lloyds Bank 17
Bank of Cyprus 17 %	Edward Manson & Co. 18
Bank of N.S.W 17 %	Midland Bank 17
Banque Belge Ltd 17 %	■ Samuel Montagu 17
Banque du Rhone et de	Morgan Grenfell 17
la Tamise S.A 171%	National Westminster 17
Danalera Denla 17 0	Norwich General Trust 17
Barclays Bank 17 %	D C Potore & Co. 12
Bremar Holdings Ltd. 18 %	P. S. Refson & Co 17
Brit. Bank of Mid. East 17 %	Rossminster 17
■ Brown Shipley 17 %	Ryl. Bk. Canada (Ldn.) 17
Canada Perm't Trust 18 %	Schlesinger Limited 17
Cayzer Ltd 17 %	E. S. Schwab 17
Cedar Holdings 17 %	Security Trust Co. Ltd. 18
Charterhouse Japhet 17 %	Standard Chartered 17
Choulartons 17 %	Trade Dev. Bank 17
C. E. Coates 17 %	Trustee Savings Bank 17
Consolidated Credits 17 %	Twentieth Century Bk. 17
Co-operative Bank*17 %	United Bank of Kuwait 17
Co-operative Bank 17 % Corinthian Secs 17 %	Whiteaway Laidlaw 171
Community Secs 17 75	Williams & Glyn's 17
The Cyprus Popular Bk. 17 %	Wintrust Secs. Ltd 17
Duncan Lawrie 17 %	Yorkshire Bank 17
Eagil Trust	Members of the Accepting House
E. T. Trust Limited 17 %	Committee.
First Nat. Fin. Corp 191%	* 7-day deposits 15%, 1-mon
First Nat. Secs. Ltd 19 %	deposits 154%.

and under 15%, up to £25,000 15½% and over £25,000 15½%. Call deposits over £1,000 15%.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

18

ink Tst_ Corp. (Jersey) Ltd., St. Noller, Jersey. 0534-362

Murray, Johnstone (lav. Adviser) 163, Hope St., Glasgow, C2. 047.2



nai Litel, 809.295.enn



Antony Gibbs ..

is Bank

ERVICE

Market State Comments

Management 1985 The second second second

Management of the second

1000

TRUST INFORMATION

(0277) 227300 39.1ml +0.3| 5.32 m\$ (m)(g) 01-6236114 INSURANCE PROPERTY

BONDS

OFFSHORE &

OVERSEA &

OVERS

Financial Times Tuesday May 6 1980 FOOD, GROCERIES-FT SHARE INFORMATION SERVICE Sept. Hillards 10p.

John Hillards 10p.

John Hillards 10p.

John Hillards 10p.

Aug. Lendord Co. 10p.

Aug. Lendord Hidgs.

Fraher Lockwoods

Hov. Lenwell G.F.

John Low (Wirt.) 20p.

How Marchinews (8).

Nov. Meat Yacid Sto.

John How Hill Pic. 10p.

Aug. Promo (P.) 10p.

John Hops. 10p.

Joh | The control of the ENGINEERING—Continued CHEMICALS, PLASTICS-Cont. BANKS & HP-Continued LOANS—Continued Financial BRITISH FUNDS "Shorts" (Lives up to Five Years) FOREIGN BONDS & RAILS | The control of the | INDUSTRIALS | SINGLE | SINGL **AMERICANS** int St. St. St. Five to Fifteen Years 7 Years

94d | 15412.95 | 1359
862-2 412.10.14
101 | 172.13.65 | 13.67
755-2 53 841 | 11.76
860 | 2412.10.16 | 12.44
860 | 2412.10.16 | 12.44
860 | 2412.10.16 | 12.44
860 | 2412.10.16 | 12.44
860 | 2412.10.16 | 13.69
974-1 103.10.20 | 11.45
975-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 103.10.20 | 13.60
971-1 Stock £ Years

307-11/12/13/22 13.81

914-13/24 14.81

975-1-13/24 14.95

105-1-13/24 13.99

45-1-13/24 13.99

45-1-13/24 13.99

45-1-13/24 13.99

45-1-13/24 13.99

55-1-13/24 13.95

55-1-13/24 13.95

55-1-13/24 13.95

55-1-13/24 13.95

55-1-13/24 13.95

57-2-3/13/3 12.44

55-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95

76-1-13/24 13.95 Over Fifteen Years BUILDING INDUSTRY, TIMBER AND ROADS 72 \$200 —
123 \$252 —
131 \$1.94 —
131 \$1.24 —
132 \$2.60 —
132 \$2.60 —
133 \$1.56 —
133 \$1.24 —
133 \$1.24 —
134 \$1.60 —
234 \$1.20 —
334 \$1.60 —
234 \$1.60 —
234 \$1.60 —
234 \$1.60 —
234 \$1.60 —
234 \$1.60 —
244 \$1.60 —
245 \$1.60 —
246 \$1.60 —
247 \$1.60 —
248 \$1.60 —
248 \$1.60 —
248 \$1.60 —
248 \$1.60 —
248 \$1.60 —
248 \$1.60 —
248 \$1.60 —
248 \$1.60 —
248 \$1.60 —
248 \$1.60 —
248 \$1.60 — **Undated** 32 33 45 23 Service Control CDC 407

Service CDC INTERNATIONAL BANK 7.6 Mary 5.4 Jan. 1.7 Dec. Aug. 15A 5pc Stock 77-82 85 | 181| 5.88 | 12.72 CORPORATION **CANADIANS** COMMONWEALTH AND AFRICAN LOANS 87 | 22 6.25 | 13.65 5.77 | 30.4 7.69 | 13.95 634, 13.12 | 13.91 | 13.91 78 | 13.12 | 13.91 | 13.95 79 | 13.12 | 13.91 | 15.94 14.9 | 364 15.7 | 12.65 | ---Dec. July Mar. May Aug. Jan. Mov. A. J. LOANS Public Board and Ind. 599. 312 864 12.96 783, 19.11 13.81 14.65 27 12.11.11 13.32 94 5.11 10.44 90 5.11 10.46 16.59 30. 31D/U.S.M.C. 90C 1992... 94 511 10.44 16.50 A. J. C. Jallamiers H.V. Side 118-8 12.305.3.30 - 81 31 31D/U.S. Without Warrants 90 511 10.44 16.50 A. J. C. Jallamiers H.V. Side 118-8 12.305.3.30 - 81 31 31D/U.S. Without Warrants 95 4871. Advertisements: 885033. Telegrams: Finantimo, London. Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenaliee 68-72, 6000 Frankfurt-am-Main 1. Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1. INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tele 276 796
Wirmingham: George Road: Telex 233650 Tel: 921-454 0922

Boate: Presshams 11/104 Heuscalee 210. Telex 2856522 Tel: 21069 Telex 2109 Telex 21 Bouse Pressbans 11/104 Heusaden 2-10.
Teles 886/542 Tel: 210039
Brussels: 39 Rut Ducate.
Teles 23283 Tel: 512-9037 New York: 75 Rockefeller Plaza, R.Y. 10019. Telex: 66390 Tel: (212) 541 4625 Cairo: P.O. Box 2040. Tek: 938510 Dublie: 8 Fitzuilliam Square. Telex 5414 Tek: 785321 Rome: Via della Mercele 55. Telex: 610032 Tel: 678 3314 Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120 Frankfurt: Frankepallee 71-81 Telex: 416052 Tel: 7598 234 Takyo: 8th Floor, Nibou Keizzi Shimbuq Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920 Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545 Lisbon: Praca de Algeria 58-10, Lisbon 2 Telex: 12533 Tel: 362-508 Washington: 914 National Press Beilding, Washington B.C. 20045 Telex: 440340 Tel: (202) 347 8676 Madrid: Espronceda 32, Madrid 3. Tel: 441 6772 ADVERTISEMENT OFFICES Frankfurt: Frankensiter 68-72
Telex: 416193 Tel: 7598 1
Rew York: 75 Rockefeller Phaza, M.Y. 10019
Telex 238409 Tel: (212) 489 8300
Park: 36 Rue da Sentier, 75002
Telex 220044 Tel: 236.26.01
Telex 20044 Tel: 236.26.01 Tokye: Kasahara Bolinbag, 1-6-10 Uebilandi Chiyoda ku, Telez J27104 Hel: 295 4050 Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and i SUBSCRIPTIONS For Share Index and Business News Summary in London, Liverpool and Manchester, Tel: 246 8026

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per amost for each security

Financial Times Tuesday May 6 1980 INDUSTRIALS—Continued INSURANCE—Continued PROPERTY—Continued TRUSTS-Cont. FINANCE, LAND—Continued NOMURA EUROPE N.V. LONDON OFFICE: OIL AND GAS LEISURE MINES—Continued Australian MOTORS, AIRCRAFT TRADES **Motors and Cycles** Commercial Vehicles 103 to3c 9.8 61 1.7 - 10.7 -4.8 5.8 4.5 9 12.0 9 SOUTH AFRICANS 194 |28.12 m010c .TEXTILES MENSTARES PRINTING

PAPER PRINTING

ANY STREET STRE TEAS India and Bangladesh Statement extents of errections well. I traces are usual on immune prices, are gross, and graded to act of 30 per cent and allow for value of declared distribution and rights.

"Tup Stock.

"Tup Stock **REGIONAL MARKETS** and officially (Isleed In Loedon, are
Afhany Inv. 20p. 28
Bertam. 18
Bey law. Est. 50p. 399 +10
Clover Croft 69
Cralp & Rose 51 51612
File Forge 34
Finday Pits. 51 1841
Grady Ship. 51 1841
Grady Ship. 51 1841
Higsus Shew 77
Holt (Jeb) Z5p. 252
L0.M. Stm. 61 175
Pearve (C. B.) 909
Peel (Halling 48)
Sheff, Refinant 106
Sheffall (Whit.) 1355 OPTIONS 3-month Call Rates Wootworths.

5 Property

14 Briz Land
10 Cap. Counties
24 MEEC.

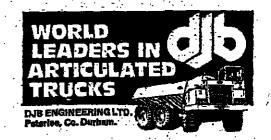
Peachey
Samuel Props.
12 Town & City 2

1

.

FINANCIALTIMES

Tuesday May 6 1980



Britain faces EEC's reproach

By John Wyles and Margaret van Hattem in Brussels

BRITAIN'S EEC budget payment dispute returns to the centre of the Community stage today. Parallel meetings of Foreign and Agriculture Ministers start to wrestle with the consequences of last week's abortive Luxembourg summit.
Mrs. Margaret Thatcher's tactics there have proved so unpopular that both meetings might be conducted in an atmosphere of reproach for the British Ministers involved: Sir Ian Gilmour, Lord Privy Seal, and Mr. Peter Walker, Agricul-

ture Minister. The other eight member states are disappoined that Mrs. Thatcher rejected an offer of a generous reduction in the

UK's 1980 payment. But some, notably France, are aware that until she gets an acceptable budget deal, the UK will hold up implementation of a 5 per cent farm price increase endorsed by the other eight to the UK and the Continent.

Community officials were not Representatives of the Eur

last night expecting any important breakthrough on either the budget or agriculture. Both meetings will be held at the same place at the same time, but it is unlikely that there will be enough hard bargaining to promise substantial movement towards a package

At the Foreign Ministers' meeting, much might depend on how forcefully Sig. Emilio Colombo, of Italy, the chairman, tries to build on progress at

There will be some hope if he can persuade France and West Germany to signal that they will put back on the table their offer of a £775m reduction in Britain's expected 1980 payment of £1.1bn.

That part was undoubtedly acceptable to Mrs. Thatcher but she is looking for equivalent concessions for 1981 and 1982, based on pegging the UK's net payment at an agreed level. She also wants a guarantee that the special arrangement would be still looked likely to be disproportionate.

The other eight did not go further at Luxembourg than tabling a two-year deal. Little thought was given to a review

There are signs the UK has taken note of its partners' extreme reluctance to devote a third summit in Venice in six weeks to Britain's budget

The British Government is expected to try to encourage efforts aimed at an earlier outline agreement. This could mean real negotiations may be relaunched by Foreign Ministers at their meeting in Naples on May 17-18.

French threats to try and force through a 5 per cent farm price rise, on the basis of a majority vote excluding Britain, ensures an extremely tense start to the farm council meeting.

Officials and diplomats preparing for the meeting were anxious yesterday to play down the possibility of yet another Anglo-French political explo-

Amid successive threats from Paris that British opposition to a price rise would be swept aside, they insisted Farm Ministers would stick to low-key talks on minor issues, and refinements of price and dairy reforms under discussion

The last-minute decision to switch this week's farm council from Luxembourg to Brussels suggests that at least Italy (president of the Council of Ministers) hopes for parallel

It is suggested a breakthrough in the Foreign Ministers' talks might help to unblock progress on farm issues, averting a potentially disastrous crisis.

The main hope in Brussels is that the French may be per-suaded to calm down, and the Farm Ministers encouraged to pack up early—after extending the expiring marketing arrangements for yet another month-instead of staying the scheduled

EEC MOVES TO COUNTER U.S. DUMPING

Acrylic fibre duty tops 15%

has imposed anti-dumping duties acrylic fibres, set at 13.7 per and Turkey, but further antipolyester filament yarn into the averaging more than 15 per cent for staple and 17.6 per dumping procedures against EEC market has in recent years on U.S. acrylic fibres entering the Common Market.

Yesterday the Brussels Commission confirmed that it was american Cyanamid.

Yesterday fluther antipolyester filament yarn into the dumping procedures against EEC market has in recent years only after they gave undertakmarket share from comparations for the end of 1979.

American Cyanamid. THE EEC Council of Ministers investigating further dumping complaints against U.S. fibre producers that might lead to

comparable duties on polyester filament yarn. The two actions on U.S. synthetic fibres, foreshadowed in the Financial Times on April 30, are expected to yield a sharp reduction in the volume of U.E. fibres sold in EEC markets.

European textile industry representatives claim that imports of U.S. fibres might be cut by 80 per cent

The anti-dumping duties on

U.S. officials in Brussels say

The new duties on acrylic 25 per cent. fibres proposed by the Commission follow a Brussels investigation into export pricing practices of several countries producing them.

The probe cleared Greece and Turkey, but further anti-

The confirmation of antithat such other synthetic fibre giants as Du Pont, Monsanto and Eastman raised their prices is particularly welcome to the earlier to avoid the provisional anti-dumping duties imposed on acrylics by the EEC last December. have been undercut by up to

> But the increasing likelihood come to European fibre producers.

The inroads by low-cost U.S.

European fibre makers, who expect losses this year of about £250m, understand that the EEC study of their polyesterdumping complaints against the U.S. will shortly bring provisional anti-dumping duties.

To date only the UK has gained any protection on polyesters through its EEC-sanctioned import quotas, but even these have been dismissed

Levy sought on petrochemicals

BY SUE CAMERON, CHEMICALS CORRESPONDENT

of a special temporary levy on American petrochemical exports

Representatives of the European group have discussed the proposal informally with U.S. officials. The reaction is believed to have been favour-

The group is asking the European Council of Chemical Manufacturers' Associations to give the plan official backing.

Supporters of the scheme believe it will help to avert the threat of an all-out transatiantic trade war. They see the proposed levy as part of a deal between the EEC and the U.S.

A GROUP of major European

chemical companies is urging to cancel out the "unfair" advantage that U.S. chemical producers enjoy as a result of cheap Government-controlled oil

The European chemical companies, in return, would undertake to block any hawkish moves toward protectionism, such as demands for EEC import quotas. It is hoped that the deal can

be-arranged under Article 23 of ... the General Agreement on Tariffs and Trade, which enables interested parties to discuss matters of common interest. European chemical The

worried about growth of cheap petrochemical . exports

by the fact that U.S. chemical and gas prices are not the only companies pay comparatively reason why U.S. producers are low prices for oil and gas they sometimes able to undercut use as petrochemical raw

Earlier this year some Euro-pean producers demanded a hard line against the U.S., and chemical manufacturing organisation looked into possi-bilities of launching antidumping cases.

A small group of European companies, believed to include some of the German chemicalgiants, fear that the net result will be a petrochemicals trade war that no one can hope to

impossible to make anti-dump, then the oil-based naptha used ing cases against the U.S. by most European chemical industry stick, and stress that groups.

Concern has been heightened U.S. Government-controlled oil

European competitors.

The U.S. is apparently willing to admit that its controls on energy prices give its chemical producers an unfair advantage over other countries. But several big U.S. chemical companies have been angered by some complaints of their European competitors.

Most U.S. producers use the gas ethane as a feedstock for making ethylene, the so-called "building block" of the chemical industry used to make many in. things, including plastics. Ethane They think it may prove is more efficient and economic

Government plans 'detente' with unions

BY CHRISTIAN TYLER, LABOUR EDITOR

LONG-RANGE PLANS to sial question of trade unions' Employment Bill passes quietly and Employers Associations, to repair damage done to Govern- legal immunities. ment-TUC relations by the Employment.

They are motivated by fears that moderate trade union leaders will be swept along by the present tide of vociferous opposition - illustrated by the TUC Day of Action on May 14 and that the field will be left wide open for the Left.

An opportunity for detente with the TUC has been provided by the Government's decision to publish a "gree paper," probably about November, on to publish a the complicated and controverTrade union leaders suspect,

Employment Bill and unpopular and the Conservative Party economic decisions are being hawks - including the Prime prepared in the Department of Minister, the Chancellor and several proposals are now being many Tory backbenchers - worked on. further restrictions unions, including possibly for nearly 100 years by con-seizure of their funds for pay-ment of civil damages. for cer-

But the "doves" surrounding Mr. James Prior, Employment Secretary, see the green paper as a chance to launch some new initiatives in industrial relations that will appeal to the moderate leadership, to "get them out of Trafalgar Square and into Whitehall."

On the assumption that the

into law by the end of July and that there are no big disputes to rekindle political pressure for further anti-union measures,

on law on immunity as it has stood tain kinds of industrial action. The right to strike, for insteance, was enacted - for

Secondly, the paper may travel widely over the ground covered by the 1965-68 Donovan Commission on Trade Unions

include ideas for grafting the now fashionable appetite for secret ballots on to the system One idea is to legitimise the

use of ballots for testing shopfloor attitudes to sweeping corby BL for its retrenchment plans. But that might mean offering the unions, rather than the employer, the opportunity to sound out opionion in that

chairman of its economic committee, that the much heralded economic policy U-turn will come soon rather than later.

Tarmac studies new Suez plan

TARMAC, the Wolverhamptonbased civil engineering group has, with its Egyptian contracting partner, been asked to undertake a feasibility study for a second tunnel under the Suez

Osman Ahmed Osman, the joint-venture partner, and Tarmac are completing a £65m road tunnel under the canal a few miles north of Suez. The new tunnel might cost nearer

Last week President Sadat witnessed a tunnel break-through ceremony on the east bank of the canal and on his

consortium, to begin studies on a second similar project. The new tunnel would provide a rail link to Sinai, and would be further north, closer to Ismailia.

It is understood that President Sadat also wants to see a new bridge built, although at this stage Osmac is not involved in feasibility work for such a scheme.

The announcement
President Sadat's decision came
at the end of a visit to Egypt
Cecil Parkinson, UK by Mr. Cecil Parkinson, UK Trade Minister, who said he had asked Tarmac to consult him at once the group knew its likely

return to Cairo asked the role in the next tunnel project. The British Government, he would assistance it could if Tarmac sought help. The feasibility study might be completed about the end of this year.

The form of Government assistance likely to be made available, if required, is not certain but might extend to exports credit guarantee cover or loan facilities. No UK financial aid was, however. forthcoming during the course of the first tunnel project and it is not yet clear whether any for the second.

Some 'Little Neddies' may go

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

DEBATE in the National based on answers to six ques-Economic Development Council tomorrow on the country's overall economic difficulties will coincide with a reshuffle of some of the council's 50 sector working parties and development councils for individual industries, the so-called "Little Neddies."

Some of these, including hose covering industrial those covering industrial vehicles and fluid power, may be abolished.

The economic debate will be

tions about basic policies, tabled by the council and answered by the Government, CBI and TUC. Though no important initia-tives are expected, the meeting may assume greater historical significance in six months to a

Government has invited leaders of both sides of industry to join

It is the first time that the The Government will stick to

paper from Sir-Keith Joseph, the Industry Secretary, in a discussion on international industrial aid policies.

industry support.

The CBI wants interest rates

Its monetary policies, but will

also acknowledge during the

council's meeting that it recognises the need for tem-

porary schemes of short-term

This will be expressed in a

reduced and more help on taxa-

Industry expects more job cuts

BY DAVID MARSH

BRITISH INDISTRY remains of the strong pound, intent on elimina its labour Optimism about intent on slimming its labour force in the next 12 months to cope with the severe corporate squeeze and low order books as the economy enters recession. . Adult unemployment is already at a post-war peak. The

FT Business Opinion Survey for April, published today, offers during the next few months. about high interest rates and among paper companies. the effects on competitiveness

prospects has nisen slightly, pondents said their liquidity notes, companies report a compared with March's low levels, partly because of the steel strike settlement.

the economic outlook remains against 15 per cent forecasting around its most depressed for

little hope of any significant engineering was the most pessi-lifting of the economic gloom mistic. There was some improvement in confidence in the brew-Companies are still concerned ing and distilling industry and Most companies felt stock

levels were too high in relation last summer to sales. About a third of reslevels were too low. But general confidence about force in the next 12 months,

an increase.

Of the three sectors surveyed, employment is the lowest for five or six years. tinue at low levels, although a fall compared with the last there is some indication of a few months. The outlook for bottoming out in the steady downward slide in demand since

Among the few optimistic slightly better outlook for costs. More than 40 per cent Forecast increases in wages and expected a cut in their labour unit costs in the next 12 months show some signs of stabilisation—although at historically high levels—at about 17½ per cent General confidence about and 14 per cent respectively.

months were generally expected Order books and inflows con- to be held at about 14 per cent, profit margins also improved slightly.

Weather

UK TODAY DRY, with some sun. Cold in

London, N.W., S.W. and central England, Wales, S.W. and central ^Scotland, N. Ireland Mainly dry, with sunny periods. Max. 14C (57F).

N.W. and N.E. Scotland, Orkney, Shetland Cloudy, drizzle in places. Max. 11C (52F).

Elsewhere Dry, but rather cold, especially near coasts. Max. 13C (55F).

Outlook: Sunny intervals and

showers.

WORLDWIDE

	ViAlera	~	-61			Ξ		74
	Amsdm.	Č	10	50	Luxmbg.	Ś	11	ā.
	Bahrain	S	33	91	Luxer	5	35	SE
•	Barcina.	S.	17	63	Madrid	Č	15	F,C
	Beiret	F.	21	70	Maiorea	š	21	7
	Selfast	ċ	ë	48	Malaga	č	23	- 33
	Berlin	Ç	10	FO	Malta	Ě	10	- 60
	Biarritz	ċ	15	56	M'chatr.	÷	18 11	94
	Bmghm,	Ĉ	10	Ě	Melbne.	ĕ		. 54
	gingini,	×	12	30	SACCOUNTY.	3	24	7,
	Bleckpl,	Č	13	55	Milan	5 5 5 5	13	55
	Bordx.	Ċ	13 18	67	Mntreal.	5	11	52
	Boulgn,	ç	10 12	50	Moscow	С	7	45
	Bristol	F	12	54	Munich	R	4	35
	Brussels	FCCS	11	52	Nairob	\$	23	**************************************
	Budpst,	C.	-10	50	Naples	Š	16	6
	B. Aires	ē	17	83	Nwesti, N. Yark	ē	11	54
	Cairo	š	28	š	N. Yark	š	25	7
	Cardiff	š	12	27	Nice	ř	15	- 44
	Cas b ca	2	14	54 88	Nicosia	ŝ		52 77 55 70
	CRA D CR	ç	20.	965	WIE DAILE	2	21	X
	Caps T	C	17	63	Opento.	Ŗ	15	56
	Chicago	S	25	77	0310	S	15 18	64
	Coloone	Š	72	54	Paris	C	13	56 64 55
	Conhgn,	5	15	59	Oslo Paris Perth	Ç	19	6
	Corfu	SCCR	20	200	RRYFINE	C	7	4F
	Dublin	č	9	Ā	Rhodes	F	21	45
	Dbrvnk	ĕ	16.	=	Rio J'o	S	2	81
•	Ednbgh,	÷	- 15	-61	Rome	ć	19	25
	Faro	2	3	***	Col-t-		13	88
	Late.		. 32	25	Selzbra.	Ŀ		47
	Florence	ē	79	96	Singent.	Ē	28	A.
	Frankft.	SCCSS	71.	25	Stekhm.	2500	15 22	59
	Funchat	5	20	68	Svdney	S	22	72
	Geneva Gibritr	Ç R	11	52	Sydney Tangier	C	19	41 花葵刀匠下
	Gibritr.	R	19	略	Tahran	8	24	7
	Glasgowi	2.	17 19 11 20 11 19 12	72	Tel Aviv	8	20	ä
	G'rnsay	Š	11	. 57	Tel Aviv	S	19	68
	H. Kong		25	80	Tokvo	×	24	75
	Innsbik.	Ř	76	90	Toronto	×	~	
				**	iotopto	6	24 20	75
	INVINEZ.	S	9		Tunis	Ċ	20	68
	I.o.Man	S	10	60	Valencia	Ç	21	70
	istan bul	F	20	68	Venice	00000	15	58
	Jersey	F	13	55	Vienna	R	5	41
	Jo burg	5	23	73	Warssw	F	9	48
	L. Pims.	s	22	72	Zurich	C	9	45
	Lisbon	R	22 16	81	Zurich	-		
	CClaus			 		_	ė	

THE LEX COLUMN

Long bond yields and inflation

further convincing statistical evidence that the U.S. is in recession. Last Friday's contribution was a set of unemploy-ment figures showing a season-ally adjusted rise from 6.2 per cent to 7 per cent in April; even if something is wrong with the seasonal adjustment, the underlying trend is unmistakeable. In the UK the statistics are not clear-cut—with consumer spending still looking firm in the first quarter, for instance—but in the past few weeks there have been signs of weakness in some areas of retail spending. In any case, the main trigger for the UK recession has been expected to be destocking by industry and distributors, and the CBI industrial trends survey last week certainly con-

Hardly a day passes without

themselves to be overstocked. In this climate, bonds have been able to make progress on both sides of the Atlantic After to the optimists to be well in the past.

But one serious worry remains in evidence: the rate of inflation. It is not just that buyers of long-dated gilts face an immediate negative real return of perhaps 7 or 8 points on the basis of the likely yearon-year inflation calculation for May. As is well known the figure is articificially swollen slightly longer term outlook for inflation — especially as high current pay settlements and prospective public sector price adjustments are building a strong upward pressure on prices into the system for many months ahead.

who have just produced an analysis comparing the present period of the business cycle with the years 1973-75. They find a remarkably good fit in the lags between the turning paints of versions economic points of various economic indicators.

The peak of bank lending, the trough of unemployment and the peaking of wholesale input price mees have occurred, they consider, at the same stage relative to the peak of economic activity in 1979 and 1980 as in 1973 and 1974 But there remains a difficulty for bulls such as Fieldings. On the basis of 1973-75, long bond yields should not reach their peak until the end of 1980.

tained indications that growing number of companies consider rates were tending to ease, but the yield curve was steepening — which could be said to be a response to the deteriorating outlook for inflation which in turn was linked to the serious In 1974 short term interest a steady advance last week the turn was linked to the serious gilt-edged market is discounting a fell of at least two points in fiscal policy. Plainly, there is the next few months, and the long bonds in the current peak in long bond yields looks reverse sloning vields. expectations should take a knock So the market's bullishness needs to founded upon the important differences between 1974 and 1980.

The key point is the striking difference in the attitude of the Government. In 1974 the Labour administration, with a second General Election on its mind, was trying to stimulate the economy. Now the Conservauntil July by the rise in the tives have proclaimed a rate of VAT. But there is also a medium-term financial strategy, danger that the City is tending and although they are also quite to be too optimistic about the likely to face the problem of an escalating public sector borrowing requirment-brokers James Capel are forecasting an over-shoot by some £1.5bn—they will need to compensate for this through further measures if the strategy is to remain credible. Certainly, if the authorities

Some historical perspective depart from their straight and on this question is provided by brokers Fielding, Newson-Smith the gilt-edged market will have a bad attack of nerves.

Laird Group

The balance sheet write-off by Lairds Group in respect of the recently announced Patent Shaft Steel Works closure turns out to be £18m—as much as a third of shareholders' funds at the beginning of 1979. But with the aid of retentions and some the aid of retentions and some judicious property revaluations, adjusted net worth is reduced only from £54m to £48m. And there is the minor bonus of a settlement of compensation for the nationalisation of Scottish Aviation, which means that although the shipbuilding claim still remains unresolved. Laird is now assured of at least £4.15m plus £.05m in backdated

year the pre-tax figure is down from £11.1m to £10.7m despite the boom intransport engineering where profits are up from £5m to over £9m. Laird is also doing well as a supplier to Rols-Royce, but there is liable to be weakness elsewhere later in 1980, and although pre-tax profits should improve it could be hard to beat the £12.95m achieved in 1970 ex Patent

The main feature of 1980 is into cash surplus after the £9m outflow during 1979; capital spending will be down, and less will go into working capital This could explain the renewed interest in acquisitions, with the purchase of Martlet from the Dunbee - Combex - Marx receiver being only one of a number of current possibilities. At 87p the shares yield only 5.7 per cent, but with strong cover even on a current cost

Plan your new premises on a spacious ground-lease site in Milton Keynes.

When it comes to relocation, Milton Keynes has all the right answers. Especially if your firm wants to build its own purposebuilt factory, warehouse or offices.

Ground-lease sites are available in Milton Keynes now. These sites offer enough land for your initial space needs, with room available to expand in the future. Services are already laid on, so construction can proceed with minimum delay.

Within easy reach of London and Birmingham, Milton Keynes is the ideal base for U.K. and European business operations, as many companies have already discovered.

Go ahead and get ahead. Send the coupon today, or phone for further details.

Name.	
	Position.
Address	